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prepared for:

Beaver County Employees' Retirement System

Performance Review Third Quarter 2007

Executive Summary

Market Index Performance

For periods ending September 30, 2007

	<i>Current Quarter</i>	<i>YTD</i>	<i>1 Year</i>	<i>2 Year</i>	<i>3 Year</i>	<i>5 Year</i>	<i>10 Year</i>
DOMESTIC EQUITY							
RUSSELL 1000 VALUE	-0.24%	5.98%	14.45%	14.52%	15.24%	18.06%	8.80%
S&P 500	2.03%	9.13%	16.43%	13.58%	13.14%	15.46%	6.57%
RUSSELL 1000 GROWTH	4.21%	12.68%	19.36%	12.51%	12.21%	13.84%	4.06%
RUSSELL MIDCAP VALUE	-3.56%	4.82%	13.72%	13.00%	17.22%	21.02%	11.30%
RUSSELL MIDCAP GROWTH	2.14%	13.34%	21.21%	13.89%	17.00%	20.39%	7.47%
RUSSELL 2500	-2.51%	5.95%	15.16%	11.93%	14.97%	19.55%	9.24%
RUSSELL 2000 VALUE	-6.26%	-2.69%	6.09%	9.98%	12.51%	18.70%	10.07%
RUSSELL 2000	-3.09%	3.17%	12.35%	11.12%	13.35%	18.75%	7.22%
RUSSELL 2000 GROWTH	0.03%	9.35%	18.93%	12.22%	14.10%	18.70%	3.65%
RUSSELL 3000	1.56%	8.77%	16.53%	13.34%	13.75%	16.19%	6.83%
INTERNATIONAL EQUITY							
MSCI EAFE AFTER TAXES	2.18%	13.15%	24.87%	21.98%	23.24%	23.55%	7.98%
MSCI AC WORLD NET	3.47%	13.69%	24.00%	19.21%	19.59%	19.99%	5.42%
MSCI EMERGING MARKETS FREE	14.41%	34.49%	58.17%	38.03%	40.85%	38.69%	11.76%
REAL ESTATE							
NAREIT EQUITY	2.59%	-3.46%	5.68%	15.05%	18.99%	21.51%	12.18%
NCREIF PROPERTY	3.56%	12.23%	17.30%	17.46%	18.03%	14.79%	13.03%
DOMESTIC FIXED INCOME							
LEHMAN BROS. AGGREGATE	2.85%	3.84%	5.13%	4.40%	3.86%	4.13%	5.96%
LB GOVT/CREDIT	3.01%	4.02%	5.10%	4.21%	3.66%	4.16%	6.02%
LB GOVT/CREDIT INTERMEDIATE	2.88%	4.37%	5.44%	4.48%	3.48%	3.81%	5.67%
ML 1-3YR TREASURY	2.67%	4.86%	5.81%	4.77%	3.49%	2.82%	4.68%
LEHMAN BROS. HIGH YIELD	0.33%	3.22%	7.55%	7.82%	7.45%	12.66%	5.86%
CASH EQUIVALENTS							
90 DAY U.S. T-BILLS	1.34%	3.91%	5.21%	4.85%	4.10%	2.94%	3.79%

Beaver County Employees' Retirement Fund

Total Fund Performance Summary

For periods ending September 30, 2007

Total Fund Market Value(\$)

\$194,954,795

Total Fund Performance (\$)

<i>Trailing Period</i>	<i>Return on Investment</i>
Quarter	\$2,061,000
Year-to-date	\$11,719,000
1 Year	\$21,881,000

Total Fund Performance (%)

<i>Trailing Period</i>	<i>Total Fund</i>	<i>Target Policy</i>	<i>Difference</i>	<i>Universe Ranking**</i>
Quarter	1.08%	2.14%	-1.06%	86
Year-to-date	6.37%	7.59%	-1.22%	86
1 Year	12.61%	13.06%	-0.45%	80
3 Year	10.15%	10.13%	0.02%	86
5 Year	10.78%	11.58%	-0.80%	89

** 1 is highest, 100 lowest

Total Fund Performance Guide

<i>Target Policy (Effective Date: March 2007)</i>		
19.5% Russell 3000	2.0% S&P 600	19.5% Lehman Brothers Aggregate
7.5% Russell 1000 Value	8.0% MSCI EAFE	15.5% Lehman Government/Credit
22.0% S&P 500	6.0% NCREIF Property	
<i>Universe Type</i>	<i>Market Value (\$)</i>	<i>Observations (#)</i>
Public	\$692.9 Billion	158

Beaver County Employees' Retirement Fund
Asset Class/Manager Performance Summary - Gross

For periods ending September 30, 2007

	<i>Current Quarter</i>	<i>YTD</i>	<i>1 Year</i>	<i>2 Year</i>	<i>3 Year</i>	<i>5 Year</i>
TOTAL FUND	1.08%	6.37%	12.61%	10.64%	10.15%	10.78%
TOTAL DOMESTIC EQUITY (Equity Only)	0.16%	7.84%	16.53%	13.62%	13.70%	15.69%
C.S. MCKEE & COMPANY	0.44%	9.59%	18.91%	13.91%	15.39%	18.89%
RUSSELL 3000 *	1.56%	8.77%	16.53%	13.34%	13.75%	16.39%
MDL CAPITAL MANAGEMENT	1.50%	10.07%	17.43%	N/A	N/A	N/A
RUSSELL 1000 VALUE	-0.24%	5.98%	14.45%	14.52%	15.24%	18.06%
CIM INVESTMENT MANAGEMENT	-0.53%	5.64%	14.16%	13.00%	12.20%	14.34%
92% S&P 500/ 8% S&P 600 BLEND **	1.72%	8.93%	16.32%	13.38%	13.25%	15.74%
TOTAL INTERNATIONAL EQUITY (Equity Only)	0.72%	10.91%	24.59%	N/A	N/A	N/A
BOSTON COMPANY	0.72%	10.91%	24.59%	N/A	N/A	N/A
MSCI EAFE	2.18%	13.15%	24.87%	21.98%	23.24%	23.55%
TOTAL REAL ESTATE (Real Estate Only)	0.43%	N/A	N/A	N/A	N/A	N/A
ERECT FUNDS	0.43%	N/A	N/A	N/A	N/A	N/A
NCREIF PROPERTY	3.56%	12.23%	17.30%	17.46%	18.03%	14.79%
TOTAL DOMESTIC FIXED INCOME (Bond Only)	2.75%	3.55%	4.74%	4.09%	3.59%	3.36%
CIM INVESTMENT MANAGEMENT	2.65%	3.63%	4.67%	4.01%	3.49%	3.20%
LEHMAN BROS. GOV'T CREDIT	3.01%	4.02%	5.10%	4.21%	3.66%	4.16%
C.S. MCKEE & COMPANY	2.84%	3.59%	5.15%	4.27%	4.23%	5.00%
MDL CAPITAL MANAGEMENT	2.87%	3.46%	4.53%	4.05%	3.25%	2.71%
LEHMAN BROS. AGGREGATE	2.85%	3.84%	5.13%	4.40%	3.86%	4.13%

* Index changed 4th quarter '02 to reflect small cap allocation and 1st quarter '04 from Russell 3000 Value to Russell 3000.

** Index changed 4th quarter '02 to reflect small cap allocation.

Beaver County Employees' Retirement Fund

Asset Allocation Targets

For periods ending September 30, 2007

<i>Asset Class</i>	<i>Target</i>	<i>Min.-Max. Range</i>	<i>Current Weight 09/30/07</i>	<i>Within Target Range?</i>
Domestic Equity	51%	41% - 61%	55.7%	Yes
International Equity	8%	3% - 13%	5.7%	Yes
Real Estate	6%	0% - 8%	2.6%	Yes
Fixed Income	35%	25% - 45%	34.0%	Yes
Cash	0%	0% - 10%	2.0%	Yes

Beaver County Employees' Retirement Fund

Investment Policies

For periods ending September 30, 2007

Policies	Status	Explanation
Individual equity issues not to exceed 5% at market.	In Compliance	Largest holding represents less than 5% of the portfolio's market value.
Overall rating of the fixed income assets are "A" or better.	In Compliance	Fixed income assets consist of government or corporate bonds with an overall rating of "A" or better.
Total portfolio performance should outperform CPI by 6.5% for rolling five-year periods.	In Compliance	Total portfolio return exceeded the CPI+ objective for the latest five-year period.
Prohibited transactions must be avoided.	In Compliance	No prohibited transactions have occurred.
Money managers adherence to policy guidelines and objectives.	Not In Compliance	CIM Investment Management fixed income portfolio holds below investment grade bonds.

Observations	Recommendations
Overall portfolio return lagged the blended index for the quarterly period ending 09/30/07.	MDL Capital Management should be terminated (Personnel, Since 3Q07). <i>Manager resigned from account and funds are to be transferred to balanced managers.</i>
Overall portfolio return lagged the blended index for the one-year period ending 09/30/07.	Boston Company International Equity portfolio should be terminated (Personnel, Since 2Q07). Continue to monitor US Asset Management (Muhlenkamp and Co.) All Cap Core portfolio. Consider further diversification of the portfolio through the use of private real estate investments.

Economy and Capital Markets Review

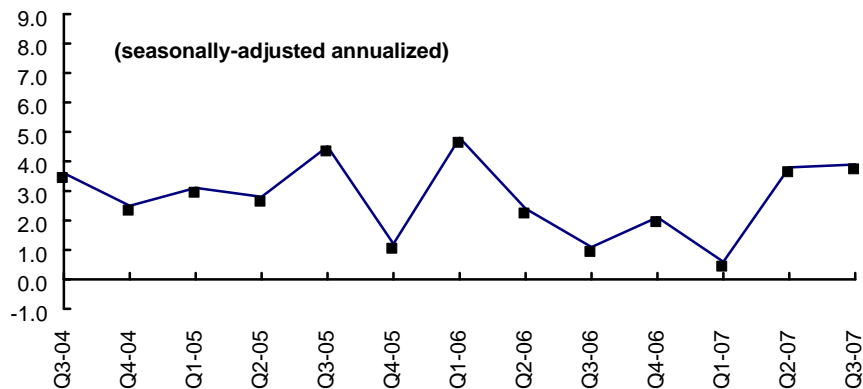
September 30, 2007

- * The Second Quarter GDP (final) increased by 3.8% on an annualized basis.
- * The Federal Open Market Committee decided to reduce its target for the federal funds rate to 4.75%. While economic growth appears to have been moderate during the first half of this year, there was further concern about the ongoing adjustment in the housing sector and its impact on other consumer-related sectors. The economy seems likely to continue to expand at a moderate pace over coming quarters. In these circumstances, the Committee's predominant policy concern remains the risk that inflation will fail to moderate as expected. Future policy adjustments will depend on the evolution of the outlook for both inflation and economic growth, as implied by incoming information.
- * The unemployment rate has risen to 4.7%, an increase of 0.2% since June.
- * The CPI (CPI-U) increased 0.3% in September after falling 0.1% in August. After strong upward movement in the second quarter, the index for energy decreased in July and August but rose again 0.3% in September. Overall prices are up 2.8% since 1 year ago, and core prices are up 2.1% in the same time frame.
- * The combination of a more competitive dollar, weaker domestic demand and rapid overseas growth is stabilizing the US trade deficit. In August, the shortfall declined to \$57.6 billion.
- * Oil Prices continuously rose throughout the quarter. Prices per barrel topped \$80 for the first time in history on September 12th, and show no signs of decreasing in the near future.
- * During the third quarter, the US Dollar weakened against major currencies: down 1.6% vs the Pound Sterling, -5.2% vs the Euro, and -7.3% vs. the Yen.
- * Industrial production essentially stagnated over the last two months of the summer, edging up just 0.1% in September after remaining unchanged in August.
- * The PMI index (an indicator of manufacturing activity) decreased each month this quarter ending at 52.0. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.
- * The total business inventory to sales ratio for August was 1.27, up 0.01 from July's ratio and up 0.02 from the record low 1.25 in January 2006. August business inventories were 3.0% higher than a year earlier.
- * In the second quarter, productivity (nonfarm business sector/revised) increased 2.6% from first quarter and .9% from a year earlier. Unit labor costs in the nonfarm business sector rose 1.4% on an annualized basis.
- * U.S. retail sales posted a stronger-than-expected gain in September while inflation pressures appeared largely muted, suggesting the economy retained some buoyancy despite a weakening housing sector. Retail trade sales were up 0.6% from August 2007 and were 5.0% above last year.
- * Consumer confidence data was mixed. The Conference Board's measure eroded sharply for the second consecutive month in September, with the overall index falling almost 6.0 points to 99.8, while the University of Michigan's measure stabilized in September (at 83.4) following a 7.0 point decline in August.
- * Residential real estate markets continued to weaken in the third quarter. Housing starts dropped each month during the quarter, and plunged 10.2% in September to a 1.19 million unit annual pace – the lowest since March 1993 – although much of the September drop was in the more volatile multi-family sector. Sales of existing homes dropped sharply during the quarter, falling 8.0% in September to a 5.05 million unit annual pace—the lowest since the series began in January 1999. Sales of new homes rose 4.8% in September after plunging 7.6% in August to their slowest pace in more than seven years as tighter credit and rising inventories continued to weigh down the housing industry.

Economy - *For periods ending September 30, 2007*

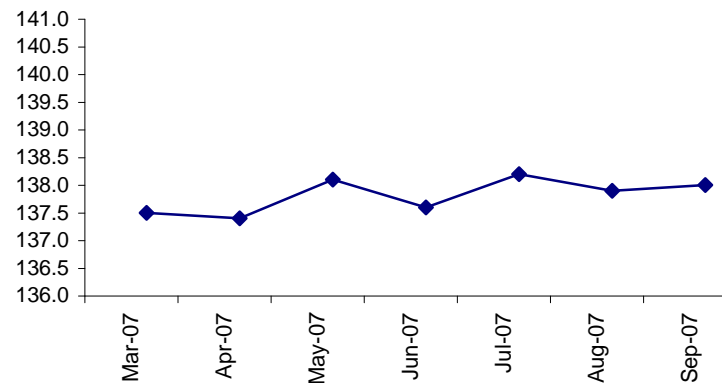
GDP Growth

Advanced third quarter GDP estimates show an increase in the growth rate to an annualized rate of 3.9%



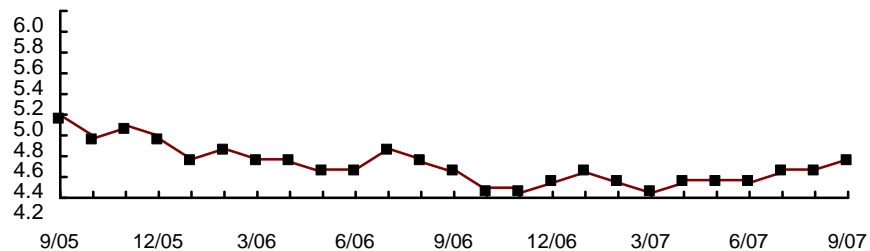
Leading Indicators

The U.S. leading index has remained flat in the past 6 months.



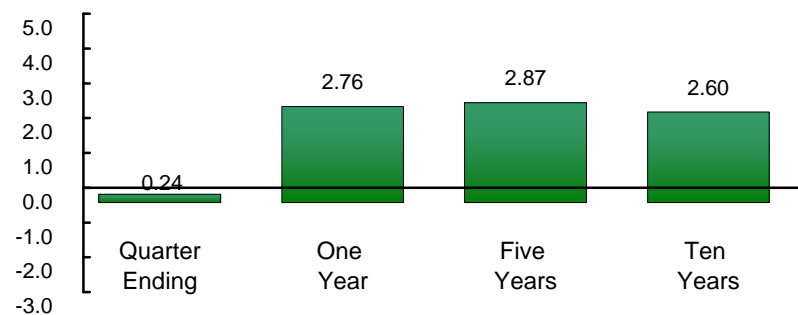
Unemployment

The U.S. Unemployment rate rose to 4.7% at the end of the third quarter.



Inflation

The Consumer Price Index increased to an adjusted annual rate of 2.76% for the year ending September 30th.

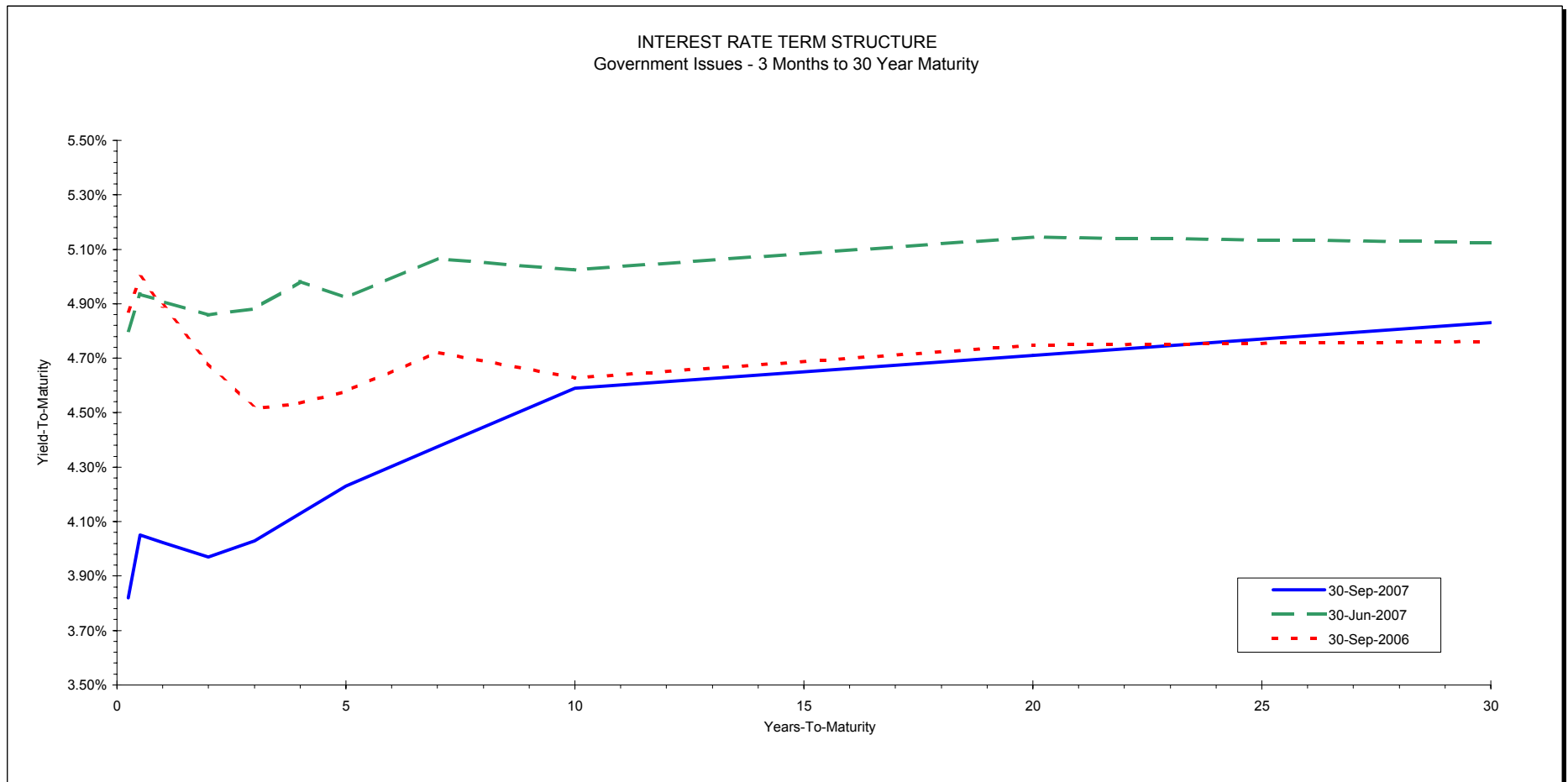


Treasury Yield Curve

*In the FOMC meetings on September 15, 2007, The Federal Open Market Committee decided to lower its target for the federal funds rate 50 basis points to 4-3/4 percent.

*The current yield curve sits below last quarter's yield curve and below the yield curve dated September 30, 2006.

* For the third quarter, there is a normal curve, which longer maturity bonds have a higher yield compared to shorter-term bonds due to the risks associated with time of the curve: the three-month rate is 101 basis points lower than the thirty-year rate.

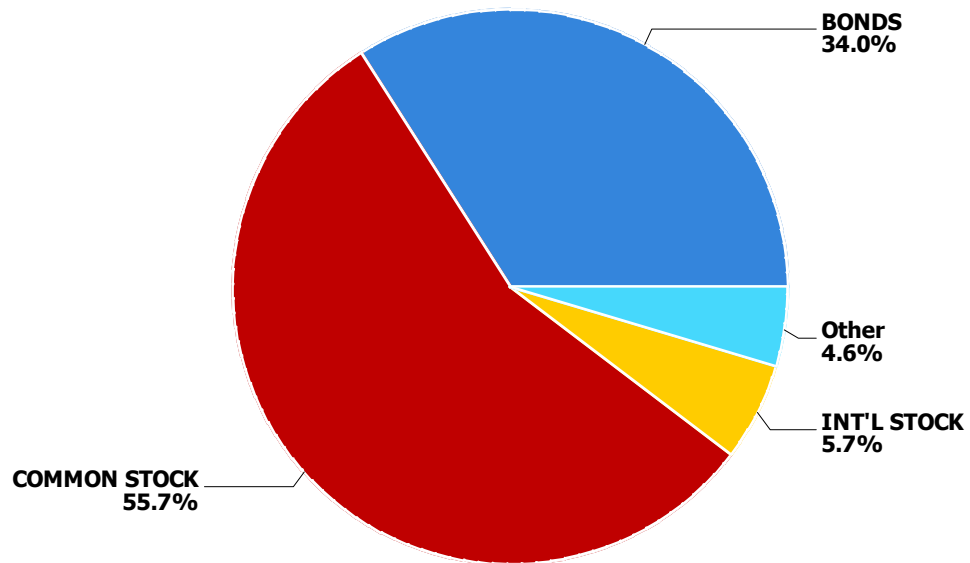


Beaver County Employees' Retirement Fund

As of September 30, 2007

Asset Allocation Analysis

TOTAL FUND

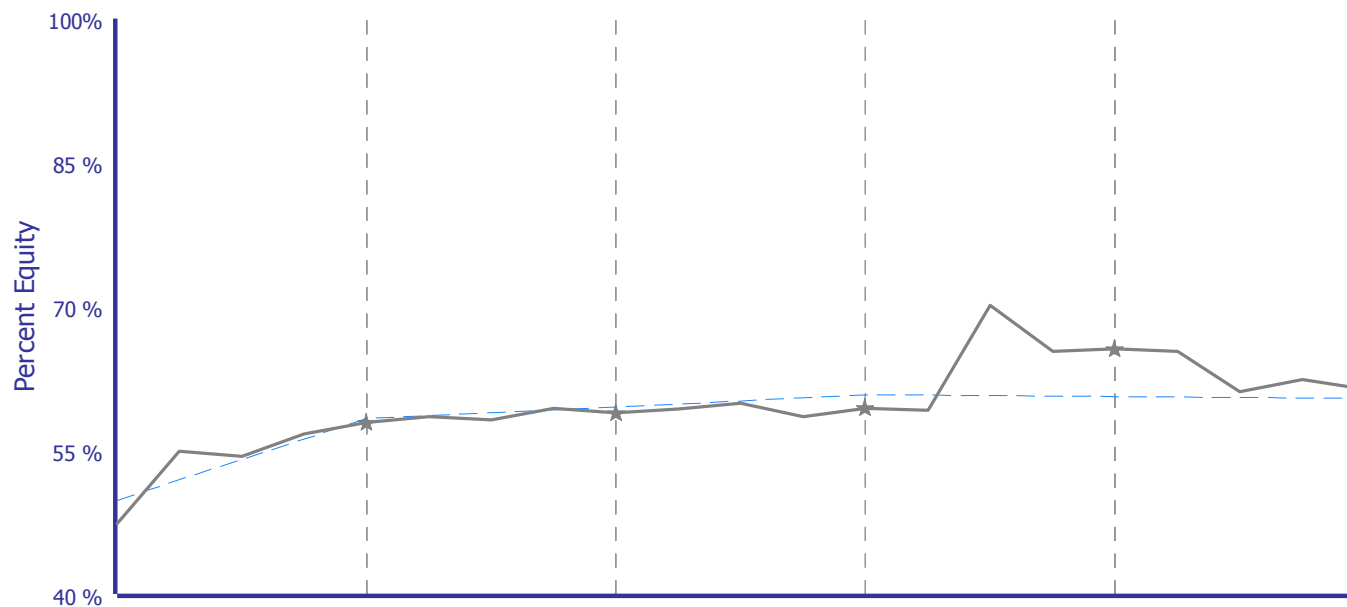


Asset Class	Market Value	Current%
BONDS	66,283,869	34.0
COMMON STOCK	108,592,671	55.7
INT'L STOCK	11,177,050	5.7
REAL ESTATE	5,089,344	2.6
TEMPORARY INVST	3,811,861	2.0
Total	194,954,795	100.0

Beaver County Employees' Retirement Fund

Periods Ending September 30, 2007

Asset Allocation History Total Public Funds - Equity Commitment



	9/02	9/03	9/04	9/05	9/06	9/07
5th	64.2	71.6	71.8	71.6	72.1	71.4
25th	55.3	63.1	64.2	66.5	64.3	64.9
Median	49.8	58.3	59.5	60.8	60.6	60.4
75th	43.1	50.9	54.2	55.3	54.3	54.9
95th	0.0	22.0	30.5	37.3	38.5	38.5
★ TOTAL FUND	47.4 61	57.9 51	58.9 54	59.4 60	65.6 22	61.4 44

* Includes International Segment

Beaver County Employees' Retirement Fund

Periods Ending September 30, 2007

Total Fund Asset Growth Summary (\$000)**TOTAL FUND**

	Last Quarter	Year to Date	Last Twelve Months	Since Inception 09/1999
Beginning Market Value	193,868	184,069	173,872	125,695
Net External Growth	-974	-833	-798	-1,144
Return on Investment	2,061	11,719	21,881	70,403
 Ending Market Value	 194,955	 194,955	 194,955	 194,955

Beaver County Employees' Retirement Fund

Periods Ending September 30, 2007

Portfolio Asset Growth (\$000)

Summary by Manager

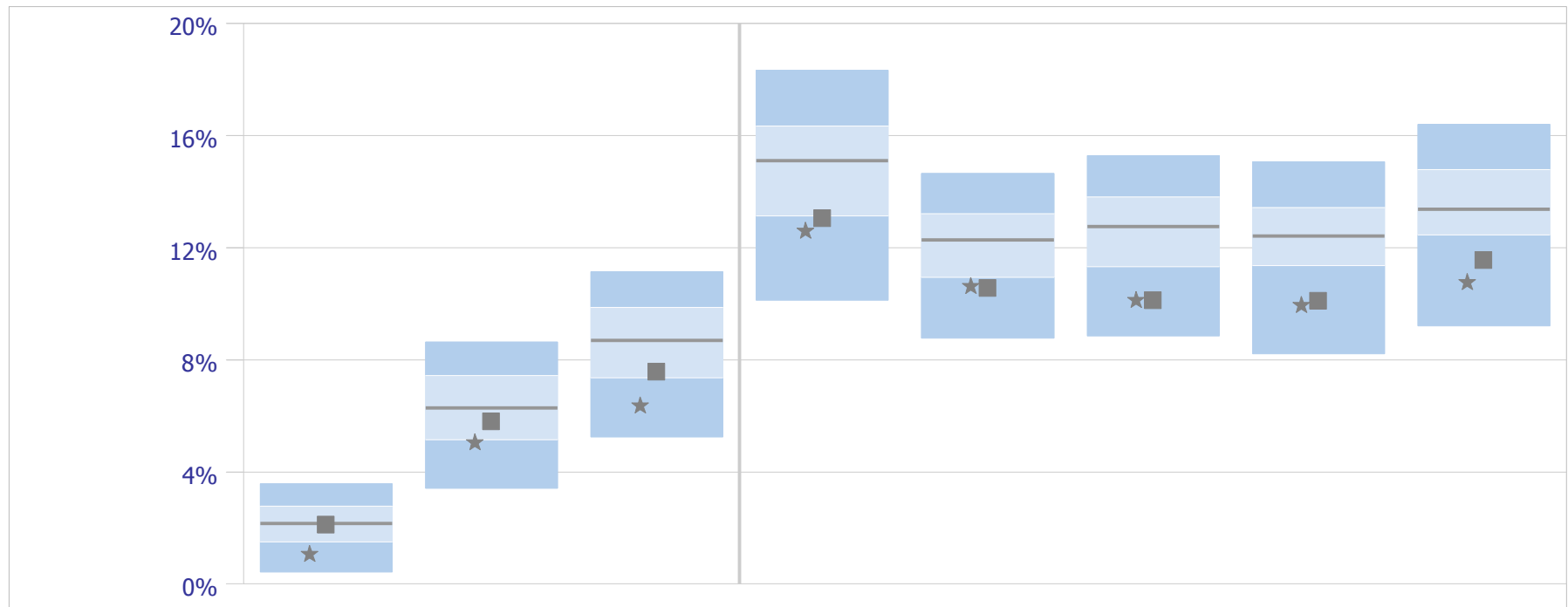
Portfolio	Beginning Value	Net Contribution	Income Received	Gain (Loss)	Ending Value
One Quarter					
TOTAL FUND	193,868	-974	1,343	717	194,955
CIM INVEST MGT	80,754	-426	647	-128	80,847
C. S. MCKEE	66,416	-351	442	361	66,869
MDL CAPITAL	30,528	-198	253	384	30,968
BOSTON COMPANY	11,099	0	0	78	11,177
ERECT Funds	5,072	0	0	22	5,094
Year to Date					
TOTAL FUND	184,069	-833	4,127	7,592	194,955
CIM INVEST MGT	79,731	-2,671	2,011	1,777	80,847
C. S. MCKEE	64,229	-2,077	1,305	3,413	66,869
MDL CAPITAL	30,031	-1,084	805	1,216	30,968
BOSTON COMPANY	10,078	0	0	1,099	11,177
ERECT Funds	0	5,000	6	87	5,094
One Year					
TOTAL FUND	173,872	-798	5,526	16,356	194,955
CIM INVEST MGT	75,724	-2,658	2,804	4,977	80,847
C. S. MCKEE	60,258	-2,051	1,645	7,017	66,869
MDL CAPITAL	28,918	-1,089	1,070	2,069	30,968
BOSTON COMPANY	8,972	0	0	2,205	11,177
ERECT Funds	0	5,000	6	87	5,094

Beaver County Employees' Retirement Fund

Periods Ending September 30, 2007

Total Public Funds

Total Returns



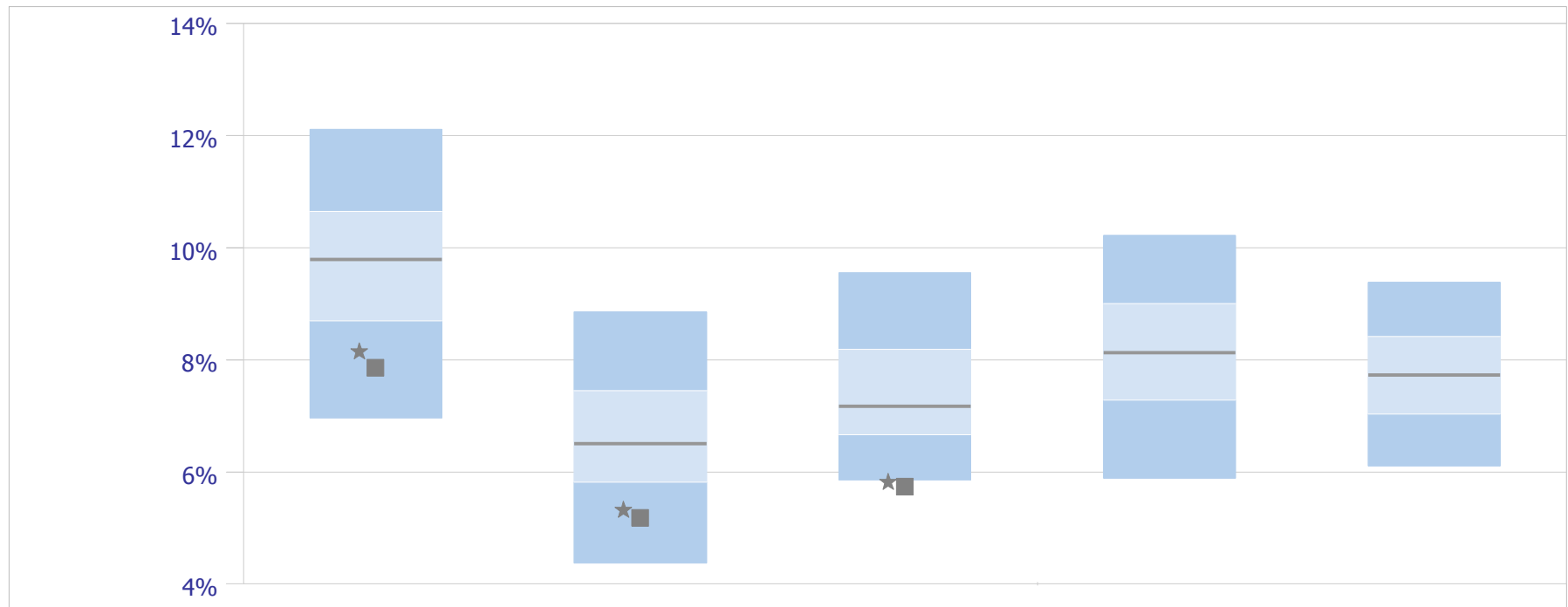
	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
★ TOTAL FUND	1.1	86	5.1	76	6.4	86	12.6	80	10.6	78	10.1	86	10.0	87	10.8	89
■ TARGET POLICY	2.1	51	5.8	62	7.6	71	13.1	75	10.6	80	10.1	86	10.1	86	11.6	81
Median	2.1		6.3		8.7		15.1		12.3		12.8		12.4		13.4	

Beaver County Employees' Retirement Fund

Periods Ending September 30, 2007

Total Public Funds

Total Returns



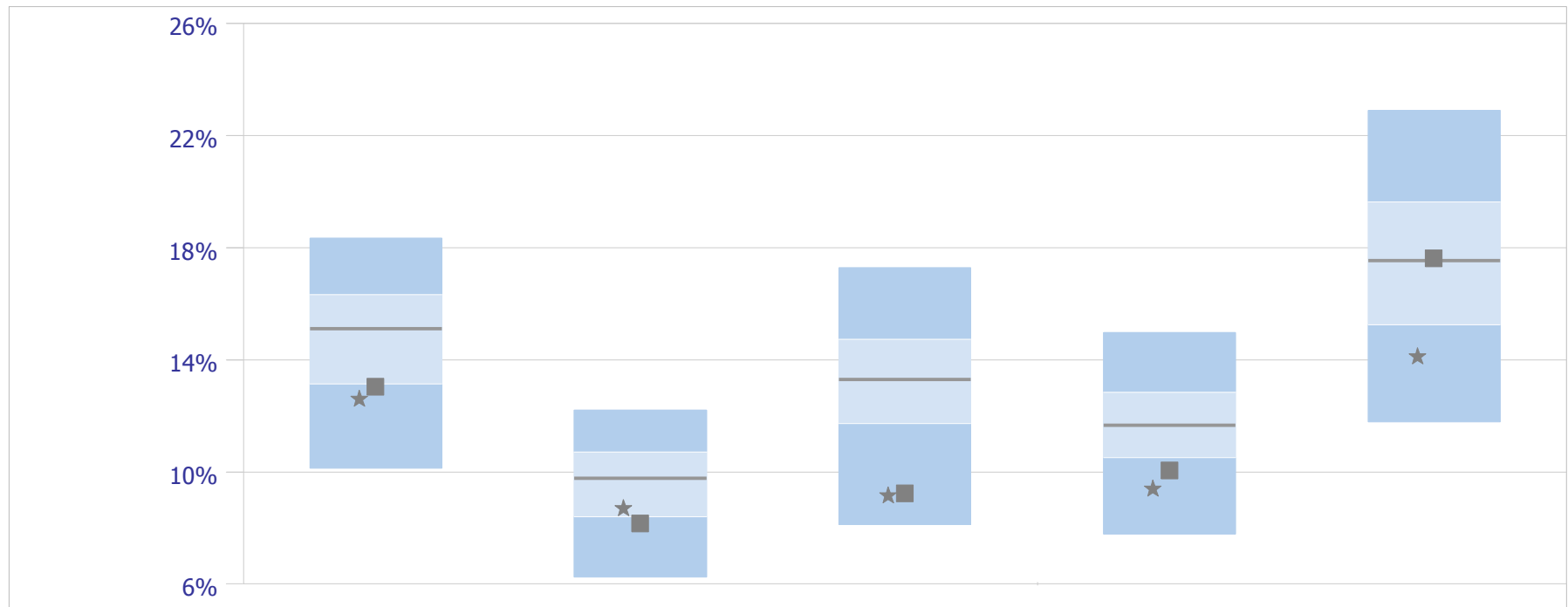
	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
★ TOTAL FUND	8.2 83	5.3 86	5.8 95		
■ TARGET POLICY	7.9 87	5.2 89	5.7 95		
Median	9.8	6.5	7.2	8.1	7.7

Beaver County Employees' Retirement Fund

Years Ending September

Total Public Funds

Total Returns



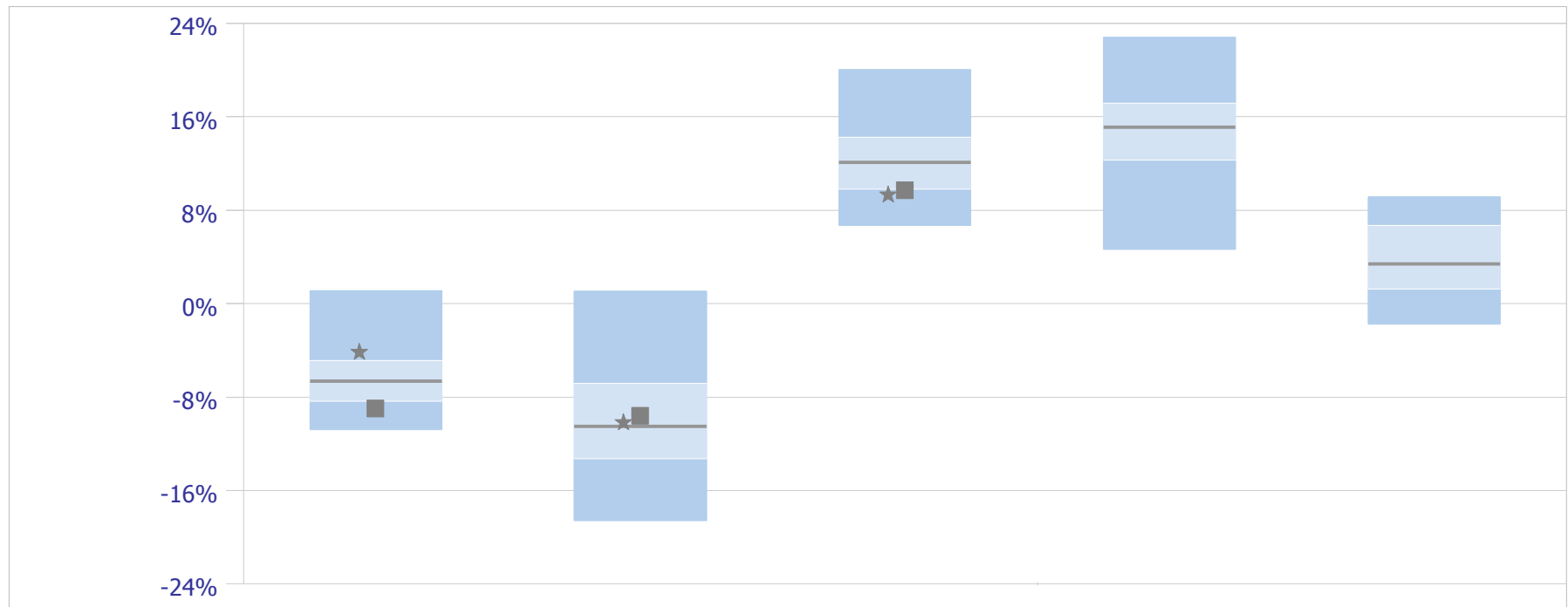
	September 2007	September 2006	September 2005	September 2004	September 2003
★ TOTAL FUND	12.6 80	8.7 70	9.2 87	9.4 87	14.1 83
■ TARGET POLICY	13.1 75	8.2 75	9.2 86	10.1 80	17.6 45
Median	15.1	9.8	13.3	11.7	17.5

Beaver County Employees' Retirement Fund

Years Ending September

Total Public Funds

Total Returns



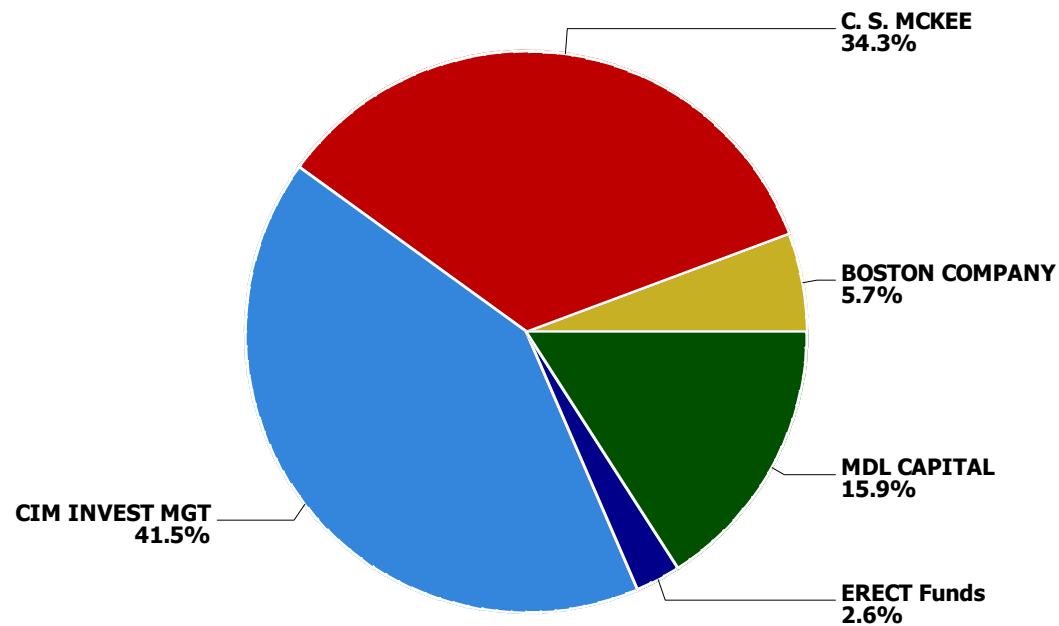
	September 2002	September 2001	September 2000	September 1999	September 1998
★ TOTAL FUND	-4.1 19	-10.1 47	9.4 79		
■ TARGET POLICY	-8.9 82	-9.6 45	9.8 75		
Median	-6.6	-10.5	12.1	15.1	3.4

Beaver County Employees' Retirement Fund

As of September 30, 2007

Manager Allocation Analysis

TOTAL FUND



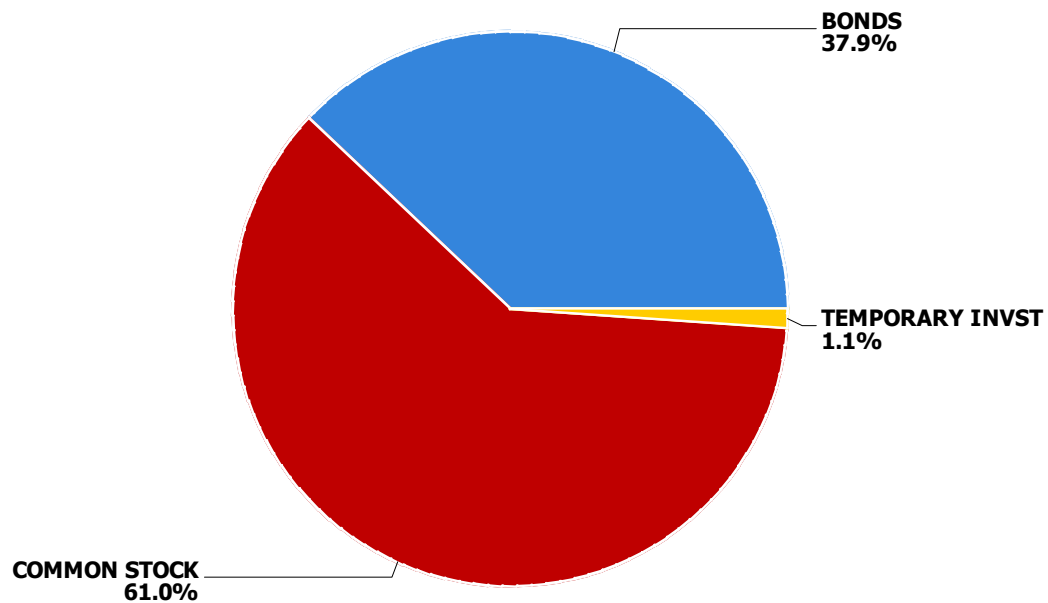
Manager	Market Value	Current%
BOSTON COMPANY	11,177,050	5.7
C. S. MCKEE	66,868,992	34.3
CIM INVEST MGT	80,847,288	41.5
ERECT Funds	5,093,708	2.6
MDL CAPITAL	30,967,757	15.9
Total	194,954,795	100.0

Beaver County Employees' Retirement Fund

As of September 30, 2007

Asset Allocation Analysis CIM INVESTMENT MANAGEMENT

Asset Class	Market Value	Current%
■ BONDS	30,639,800	37.9
■ COMMON STOCK	49,298,136	61.0
■ TEMPORARY INVST	909,352	1.1
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Total	80,847,288	100.0

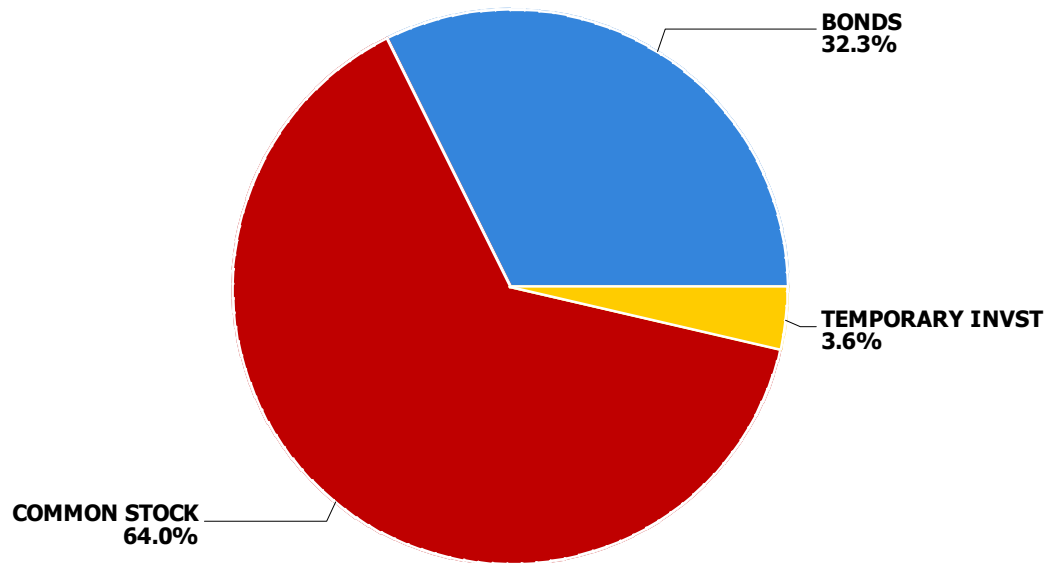


Beaver County Employees' Retirement Fund

As of September 30, 2007

Asset Allocation Analysis

C. S. MCKEE & COMPANY



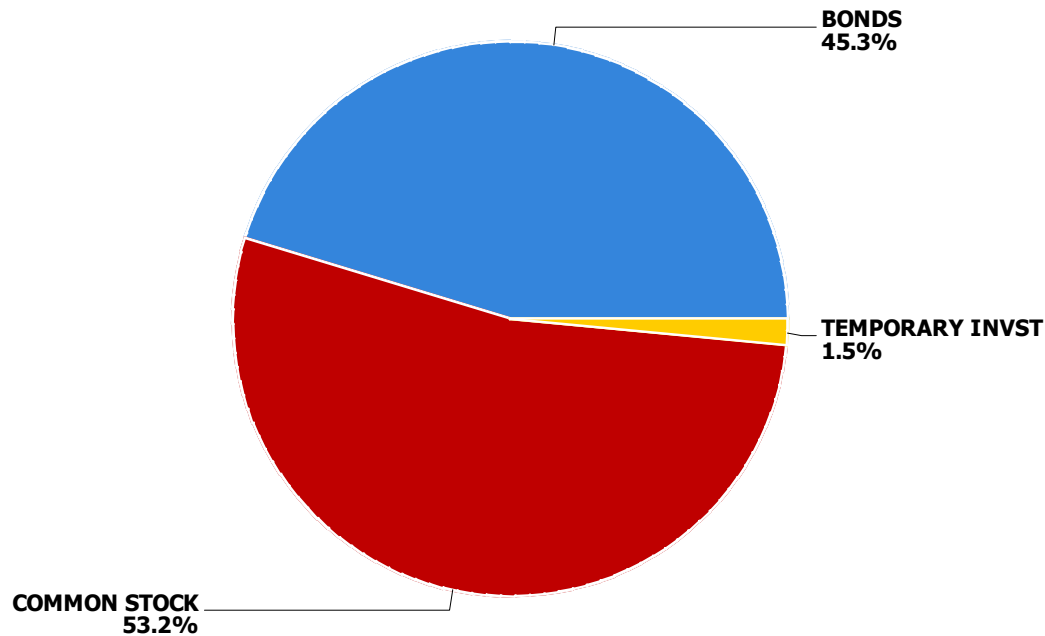
Asset Class	Market Value	Current%
BONDS	21,625,187	32.3
COMMON STOCK	42,807,442	64.0
TEMPORARY INVST	2,436,363	3.6
Total	66,868,992	100.0

Beaver County Employees' Retirement Fund

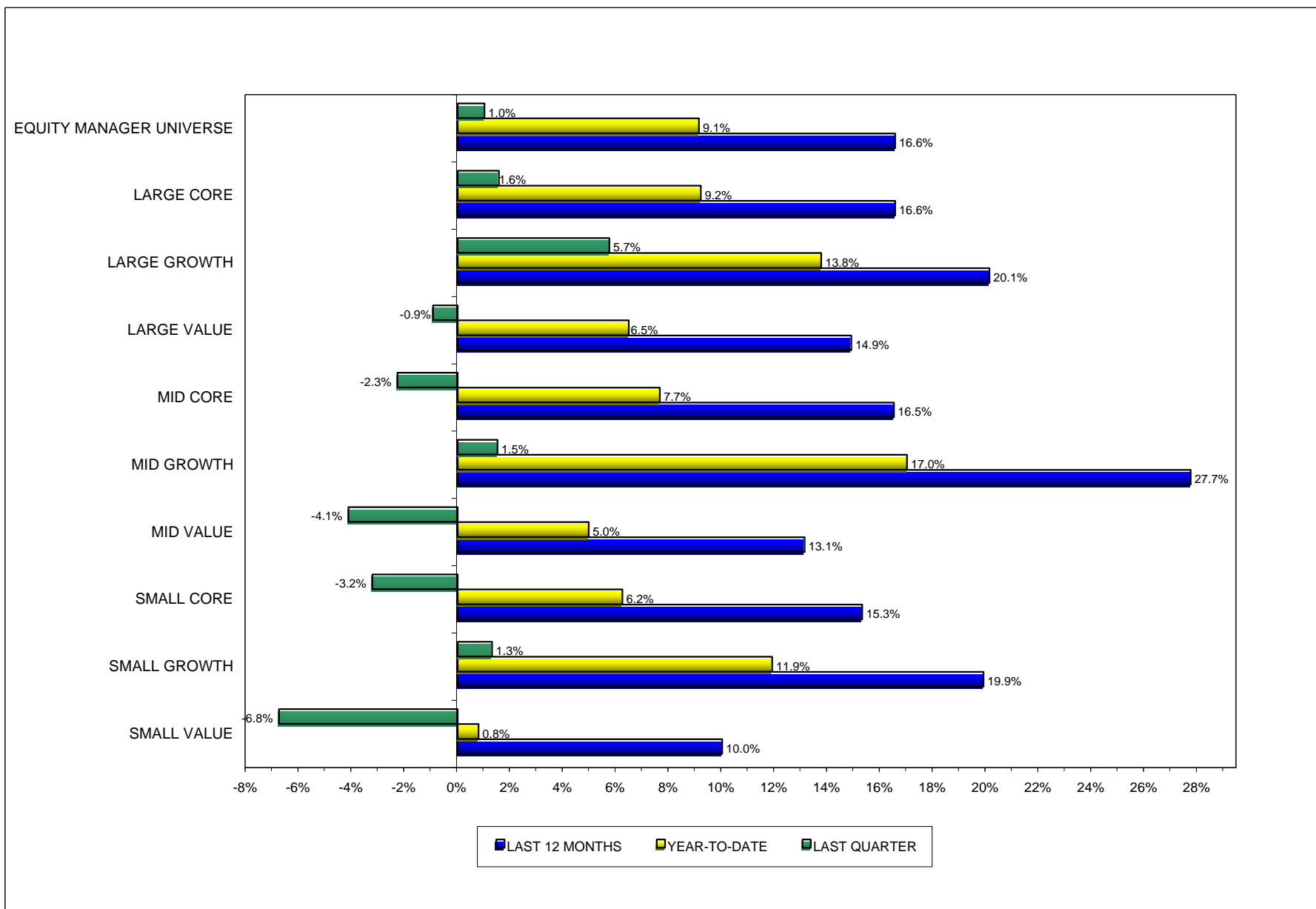
As of September 30, 2007

Asset Allocation Analysis MDL CAPITAL MANAGEMENT INC

Asset Class	Market Value	Current%
■ BONDS	14,018,882	45.3
■ COMMON STOCK	16,487,093	53.2
■ TEMPORARY INVST	461,782	1.5
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Total	30,967,757	100.0



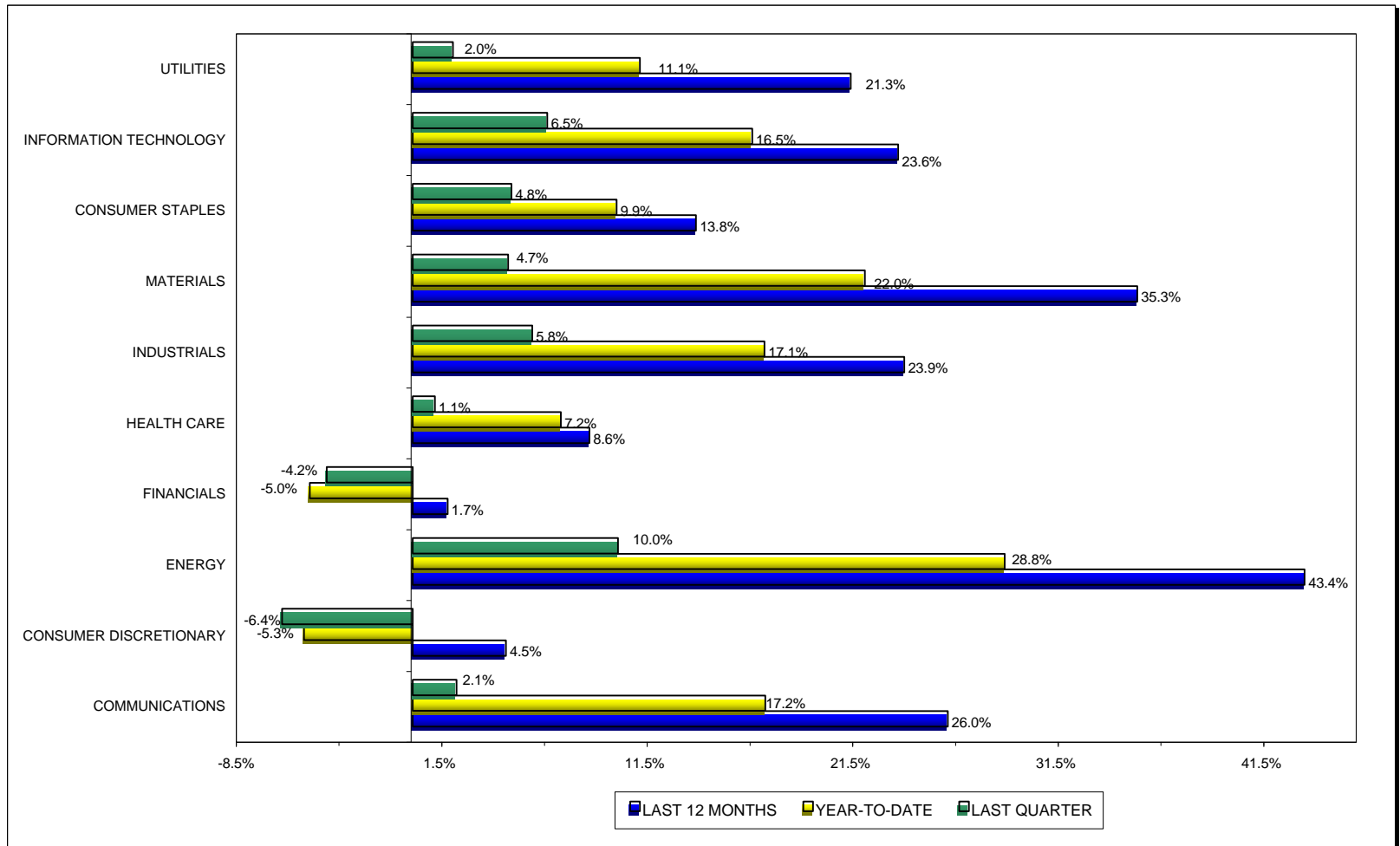
Equity Style Returns - *periods ending September 30, 2007*



Equity Sector Returns - periods ending September 30, 2007

* The Energy sector was the best performer in the third quarter with a return of 10.0%, followed by the Information Technology sector's return of 6.5%, and Industrials' sector return of 5.8%.

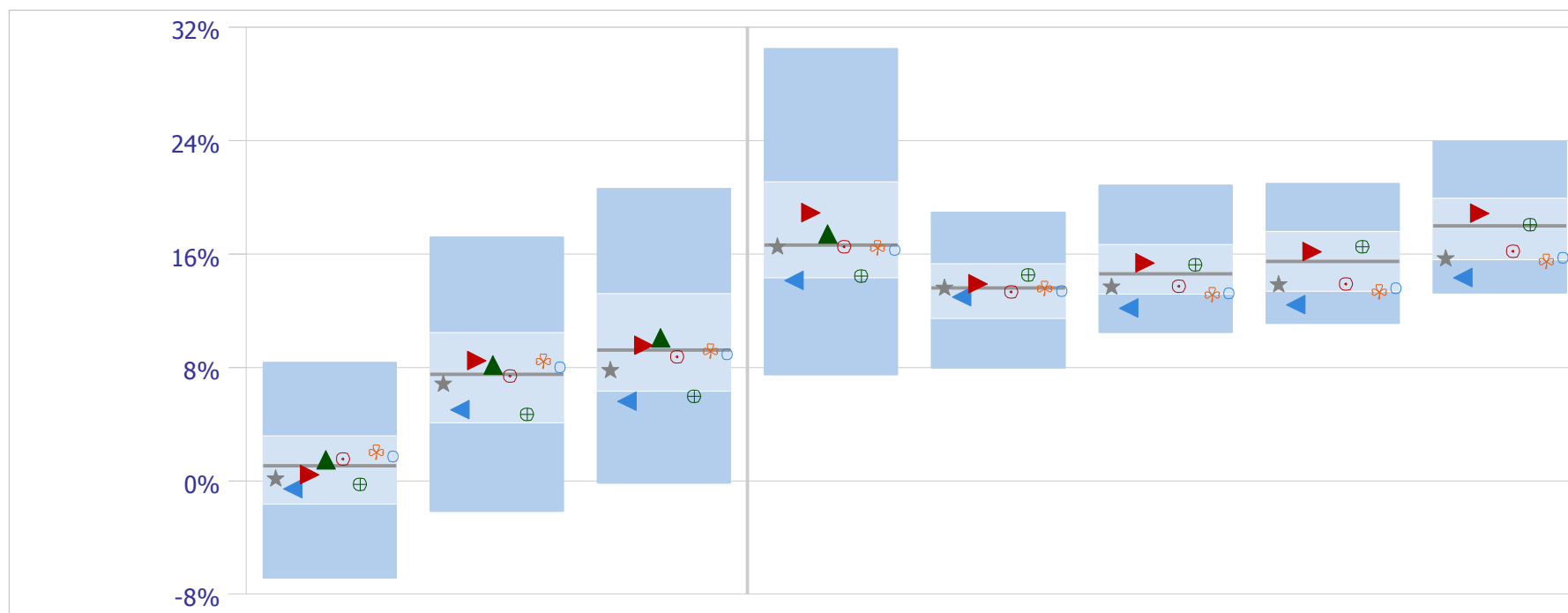
* From a yearly perspective, all sectors turned in positive returns. The largest gainers were Energy, Materials and Communications with returns of 43.4%, 35.3%, and 26.0%



Beaver County Employees' Retirement Fund

Periods Ending September 30, 2007

Equity Only Rates of Return

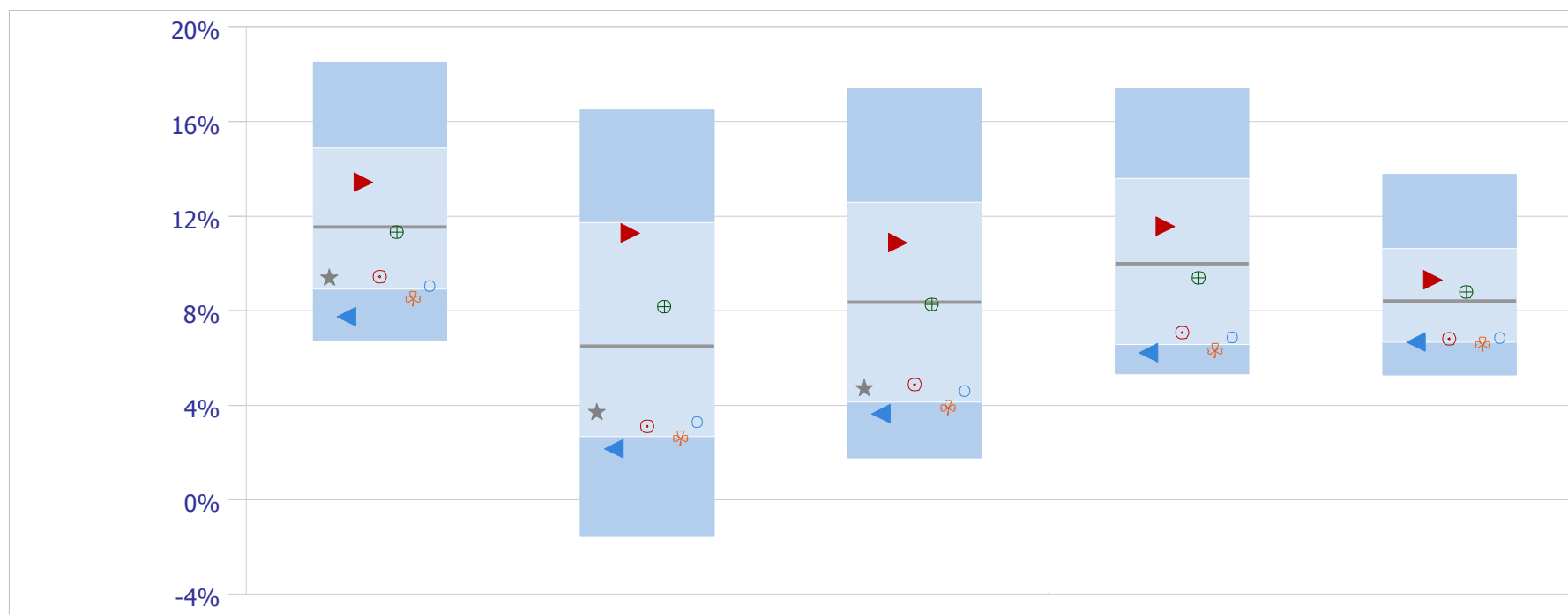


	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
★ TOTAL FUND	0.2	56	6.9	56	7.8	64	16.5	53	13.6	48	13.7	63	13.9	67	15.7	74
◀ CIM INVEST MGT	-0.5	63	5.0	68	5.6	79	14.2	75	13.0	58	12.2	86	12.4	89	14.3	91
▶ C. S. MCKEE	0.4	54	8.5	36	9.6	43	18.9	34	13.9	39	15.4	39	16.2	42	18.9	36
▲ MDL CAPITAL	1.5	47	8.2	43	10.1	39	17.4	42								
⊙ R 3000(R)	1.6	46	7.4	51	8.8	58	16.5	53	13.3	55	13.7	62	13.9	68	16.2	68
⊕ R 1000(R) VALUE	-0.2	60	4.7	71	6.0	77	14.4	73	14.5	32	15.2	41	16.5	39	18.1	48
✿ S&P 500	2.0	38	8.4	39	9.1	54	16.4	57	13.6	50	13.1	75	13.3	78	15.5	82
○ 92% SP/8% SP 600	1.7	43	8.0	44	8.9	56	16.3	59	13.4	54	13.2	69	13.6	70	15.7	73
Median	1.1		7.5		9.2		16.6		13.6		14.6		15.5		18.0	

Beaver County Employees' Retirement Fund

Periods Ending September 30, 2007

Equity Only Rates of Return

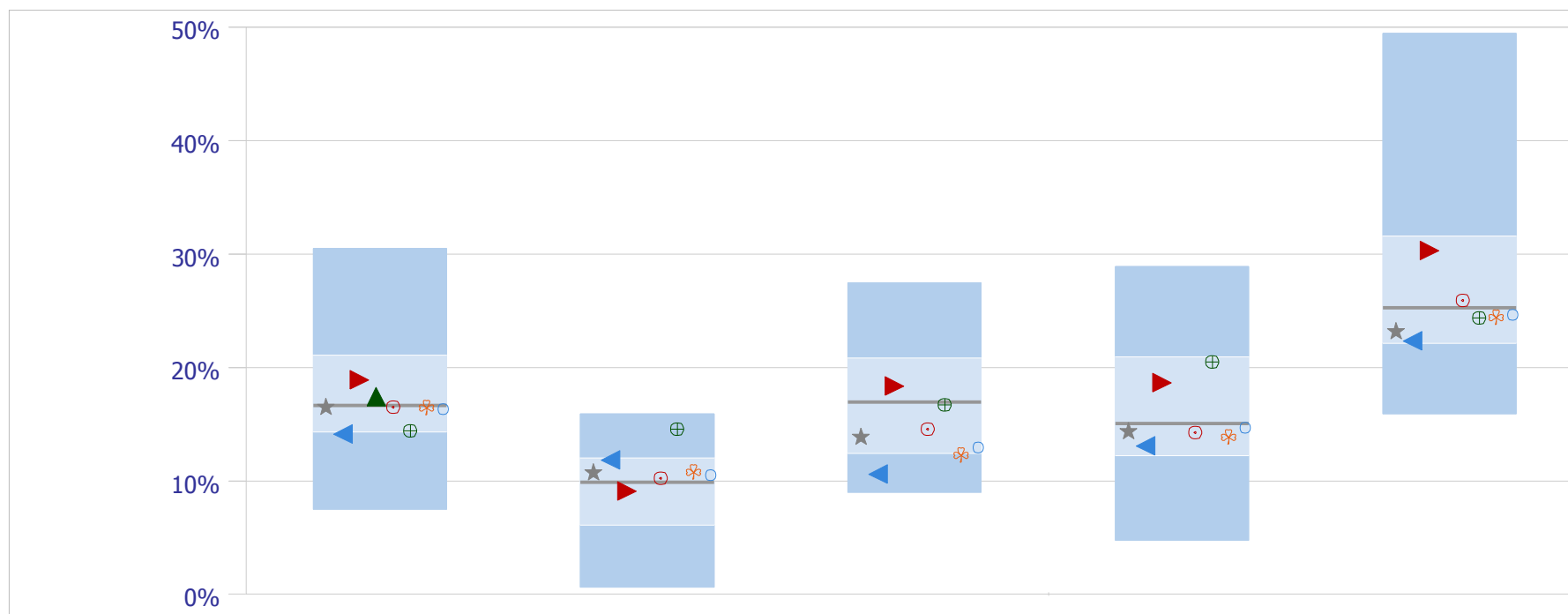


	Six Years		Seven Years		Eight Years		Nine Years		Ten Years	
★ TOTAL FUND	9.4	69	3.7	62	4.7	71				
◀ CIM INVEST MGT	7.8	91	2.2	84	3.6	88	6.2	88	6.7	74
▶ C. S. MCKEE	13.5	34	11.3	26	10.9	33	11.6	37	9.3	36
⊙ R 3000(R)	9.4	68	3.1	68	4.9	70	7.1	71	6.8	70
⊕ R 1000(R) VALUE	11.3	51	8.2	42	8.3	50	9.4	54	8.8	43
✿ S&P 500	8.5	84	2.6	80	3.9	85	6.3	85	6.6	81
○ 92% SP/8%SP 600	9.0	73	3.3	66	4.6	72	6.9	72	6.9	70
Median	11.5		6.5		8.4		10.0		8.4	

Beaver County Employees' Retirement Fund

Years Ending September

Equity Only
Rates of Return

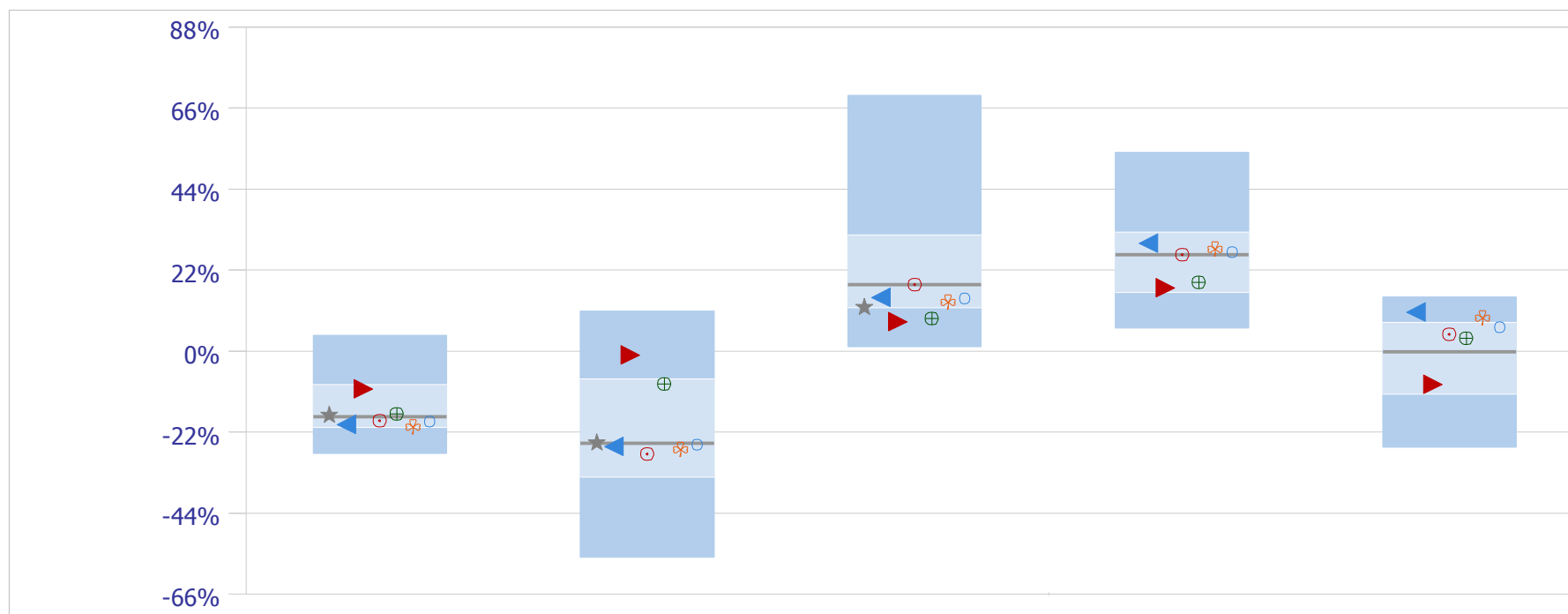


	September 2007		September 2006		September 2005		September 2004		September 2003	
★ TOTAL FUND	16.5	53	10.8	39	13.9	67	14.4	54	23.2	69
◀ CIM INVEST MGT	14.2	75	11.9	25	10.6	90	13.1	70	22.4	73
▶ C. S. MCKEE	18.9	34	9.1	55	18.4	41	18.7	34	30.3	27
▲ MDL CAPITAL	17.4	42								
⊕ R 3000(R)	16.5	53	10.2	46	14.6	63	14.3	55	25.9	45
⊕ R 1000(R) VALUE	14.4	73	14.6	11	16.7	52	20.5	26	24.4	61
✿ S&P 500	16.4	57	10.8	38	12.3	81	13.9	61	24.4	59
○ 92% SP/8% SP 600	16.3	59	10.5	42	13.0	71	14.7	52	24.6	54
Median	16.6		9.9		17.0		15.1		25.3	

Beaver County Employees' Retirement Fund

Years Ending September

Equity Only
Rates of Return



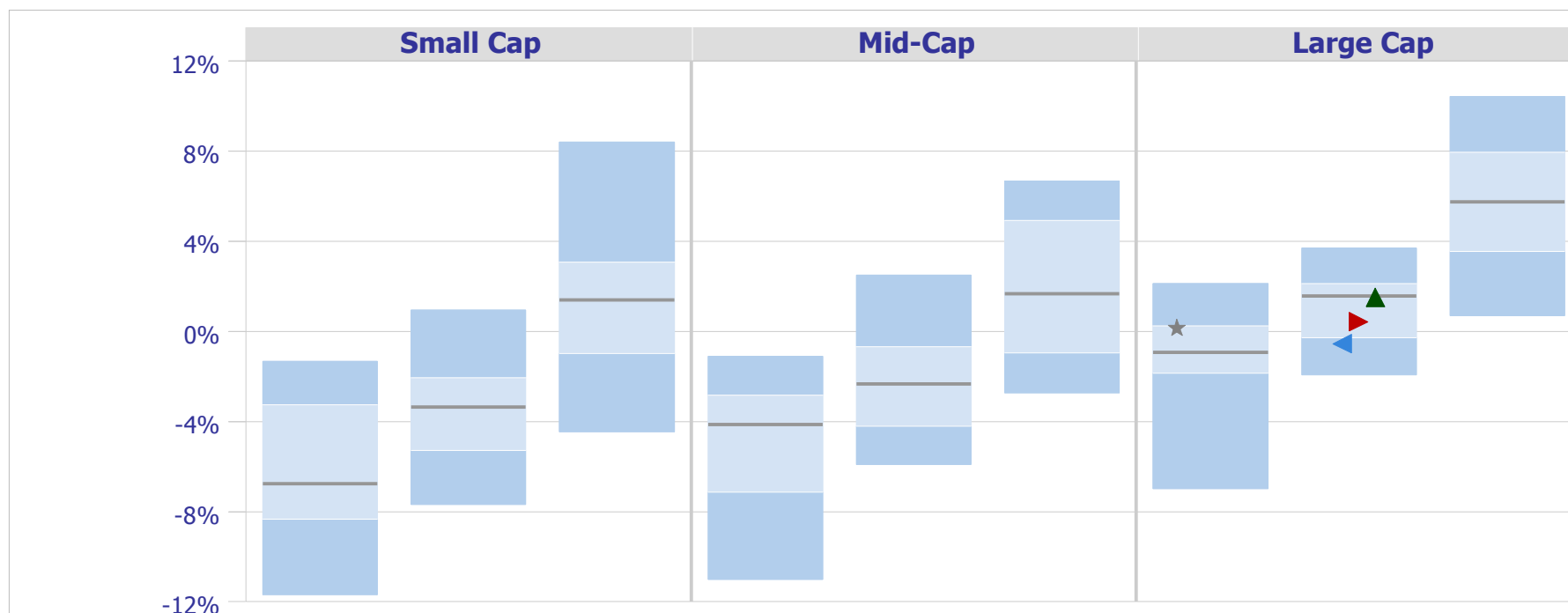
	September 2002	September 2001	September 2000	September 1999	September 1998
★ TOTAL FUND	-17.2 47	-24.8 49	12.1 74		
◀ CIM INVEST MGT	-19.9 61	-25.8 52	14.6 58	29.4 32	10.7 11
▶ C. S. MCKEE	-10.2 27	-0.9 17	8.1 84	17.3 72	-9.0 70
⊙ R 3000(R)	-18.8 54	-27.9 65	18.2 49	26.3 49	4.6 32
⊕ R 1000(R) VALUE	-17.0 46	-8.9 27	8.9 82	18.7 68	3.6 35
♣ S&P 500	-20.5 71	-26.6 59	13.3 67	27.8 40	9.0 19
○ 92% SP/8% SP 600	-19.0 56	-25.4 51	14.3 59	27.0 47	6.6 27
Median	-17.8	-24.9	18.0	26.2	-0.2

Beaver County Employees' Retirement Fund

Quarter Ending September 30, 2007

Active Equity Manager Style Analysis

Equity Only Returns



- ★ TOTAL FUND
- ◀ CIM INVEST MGT
- ▶ C. S. MCKEE
- ▲ MDL CAPITAL

0.2	27
-0.5	77
0.4	67
1.5	51

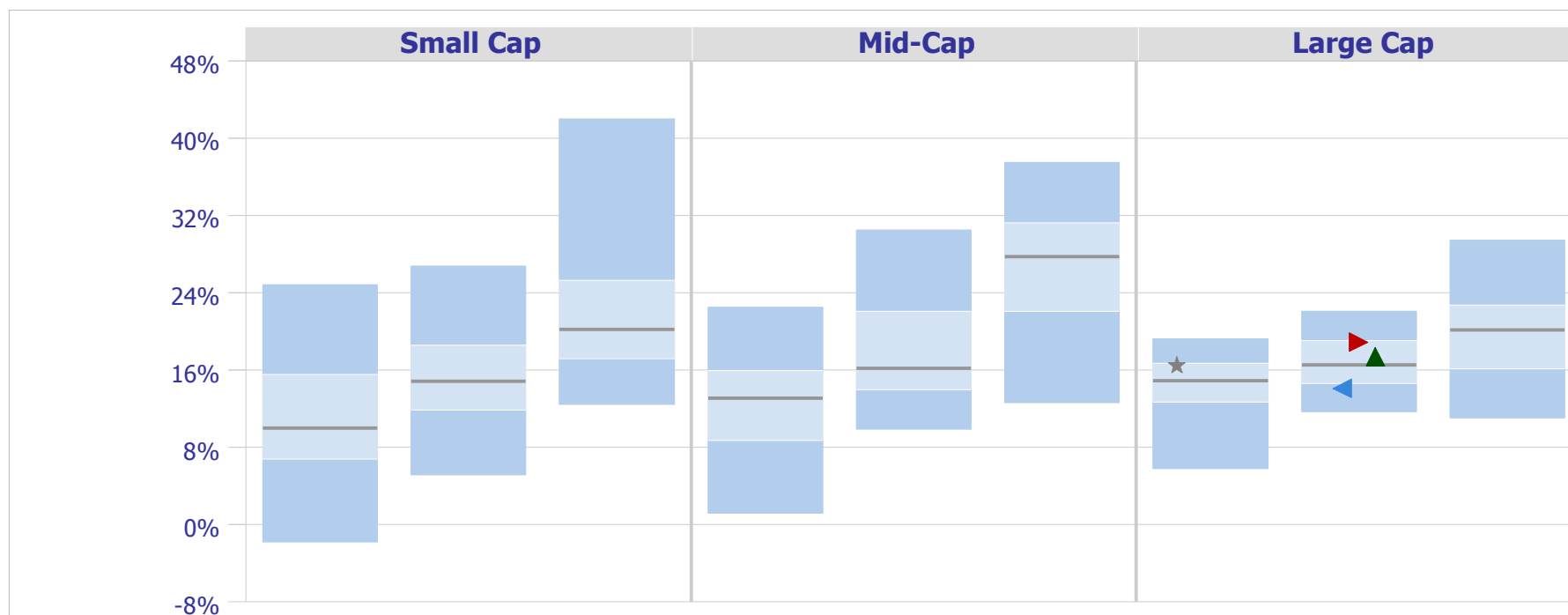
Median	-6.8	-3.4	1.4	-4.1	-2.3	1.7	-0.9	1.6	5.7
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Beaver County Employees' Retirement Fund

Year Ending September 30, 2007

Active Equity Manager Style Analysis

Equity Only Returns



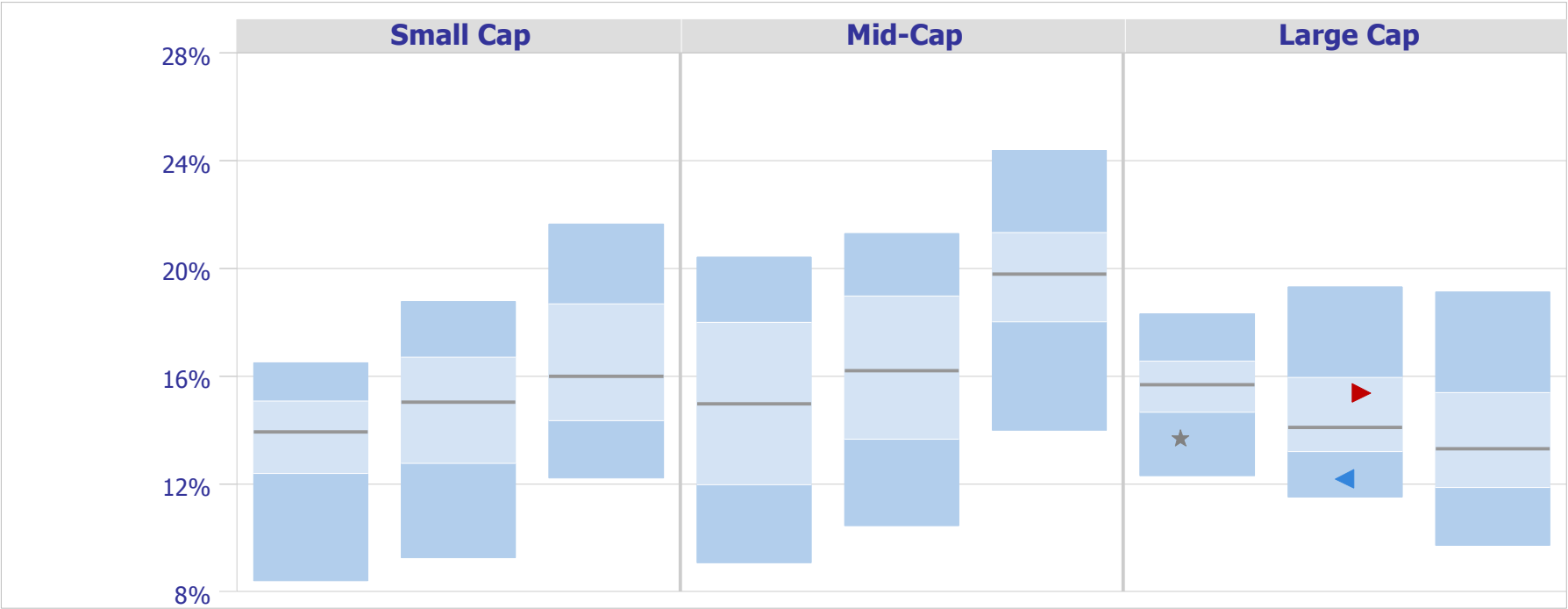
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
★ TOTAL FUND							16.5	27	
◀ CIM INVEST MGT								14.2	80
▶ C. S. MCKEE								18.9	26
▲ MDL CAPITAL								17.4	37
Median	10.0	14.9	20.2	13.1	16.2	27.7	14.9	16.6	20.1

Beaver County Employees' Retirement Fund

Three Years Ending September 30, 2007

Active Equity Manager Style Analysis

Equity Only Returns



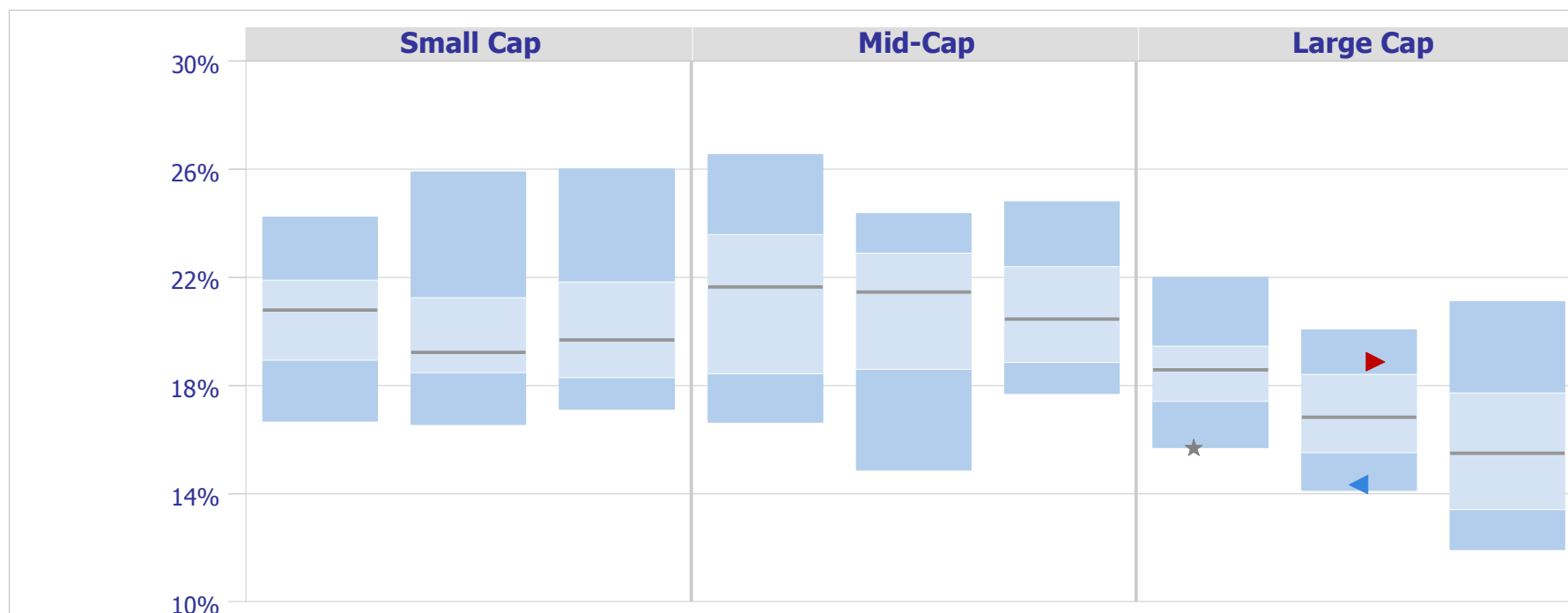
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
★ TOTAL FUND							13.7	84	
◀ CIM INVEST MGT								12.2	91
▶ C. S. MCKEE								15.4	29
Median	13.9	15.0	16.0	15.0	16.2	19.8	15.7	14.1	13.3

Beaver County Employees' Retirement Fund

Five Years Ending September 30, 2007

Active Equity Manager Style Analysis

Equity Only Returns

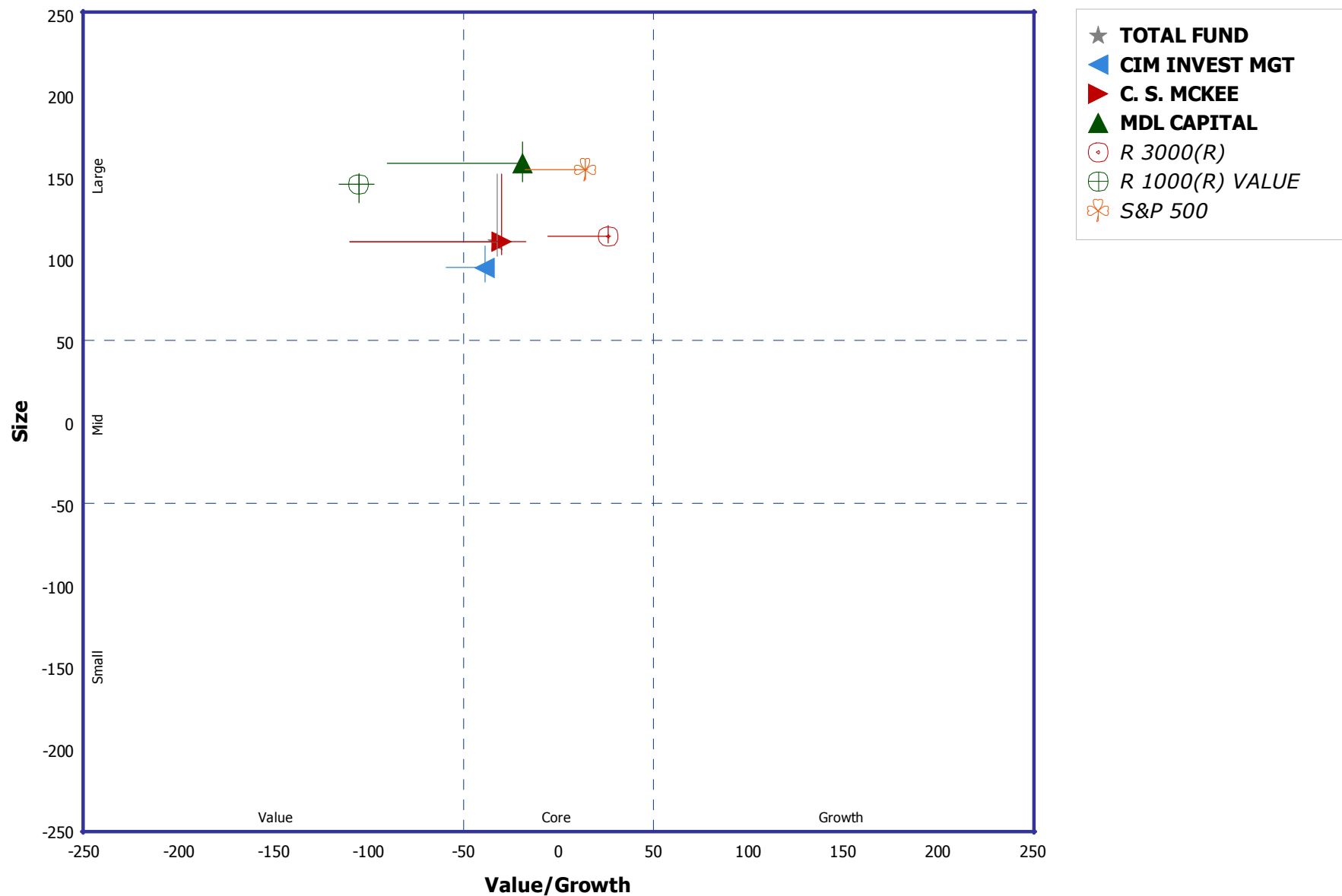


	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
★ TOTAL FUND							15.7	94	
◀ CIM INVEST MGT								14.3	93
▶ C. S. MCKEE								18.9	18
Median	20.8	19.2	19.7	21.6	21.5	20.4	18.6	16.8	15.5

Beaver County Employees' Retirement Fund

As of September 30, 2007

Equity Style Analysis Style Drift



Style assignment based on Morningstar © Size and VCG Scores and Morningstar Style Box™ methodology

Beaver County Employees' Retirement Fund

Quarter Ending September 30, 2007

Equity Only Summary Statistics

TOTAL FUND

Portfolio Characteristics

	Portfolio	S&P 500
Total Number of Securities	311	
Total Market Value \$	108,281,634	
Average Market Capitalization (000's)	88,729,100	108,650,400
Median Market Capitalization (000's)		13,430,300
Equity Segment Yield	1.90	1.85
Equity Segment P/E	15.50	16.63
Equity Segment Beta	1.03	1.00
Price/Book Ratio	3.75	4.26
Five Year Earnings Growth	19.87	21.69
Return On Equity	20.39	21.82

Ten Largest Holdings

Name	\$	Weight
CHEVRON CORP	2,879,925	2.7
CONOCOPHILLIPS	2,796,001	2.6
GENERAL ELEC CO	2,780,217	2.6
CISCO SYS INC	2,530,635	2.3
INTEL CORP	2,304,773	2.1
EXXON MOBIL CORP	2,108,054	1.9
AT & T INC	1,912,454	1.8
AMERICAN INTL GROUP	1,871,943	1.7
BANK OF AMERICA COR	1,744,017	1.6
MARATHON OIL CORP	1,733,408	1.6

Ten Best Performers

Name	Return
LAYNE INC	35.5
VARIAN SEMICONDUCTO	33.6
MONSANTO CO NEW	27.2
DAKTRONICS INC	26.7
APPLE INC	25.8
SCHLUMBERGER LTD CO	23.8
SMITH INTL INC	21.9
TRIMBLE NAV LTD	21.8
3COM CORP	19.6
ITRON INC	19.4

Ten Worst Performers

Name	Return
FINISH LINE INC	-52.4
MGIC INVT CORP WIS	-42.8
KELLWOOD CO	-38.8
LCA-VISION INC	-37.5
POOL CORP	-35.8
CITADEL BROADCASTIN	-35.5
INDEPENDENT BANK CO	-35.0
CENTEX CORP	-33.7
NVR INC	-30.8
GRIFFON CORP	-30.7

Beaver County Employees' Retirement Fund

Quarter Ending September 30, 2007

Equity Only Summary Statistics CIM INVESTMENT MANAGEMENT

Portfolio Characteristics

	Portfolio	S&P 500
Total Number of Securities	215	
Total Market Value \$	49,234,970	
Average Market Capitalization (000's)	89,536,500	108,650,400
Median Market Capitalization (000's)	4,093,100	13,430,300
Equity Segment Yield	2.11	1.85
Equity Segment P/E	15.79	16.63
Equity Segment Beta	1.03	1.00
Price/Book Ratio	3.74	4.26
Five Year Earnings Growth	18.82	21.69
Return On Equity	20.30	21.82

Ten Largest Holdings

Name	\$	Weight
EXXON MOBIL CORP	1,682,278	3.4
GENERAL ELEC CO	1,411,947	2.9
MICROSOFT	831,361	1.7
AT & T INC	751,426	1.5
CISCO SYS INC	720,081	1.5
CITIGROUP INC	688,383	1.4
INTEL CORP	644,561	1.3
CHEVRON CORP	638,684	1.3
INTERNATIONAL BUSIN	638,476	1.3
BANK OF AMERICA COR	630,537	1.3

Ten Best Performers

Name	Return
VARIAN SEMICONDUCTO	33.6
APPLE INC	25.8
SCHLUMBERGER LTD CO	23.8
SMITH INTL INC	21.9
TRIMBLE NAV LTD	21.8
CISCO SYS INC	18.9
PEDIATRIX MED GROUP	18.6
MICROSEMI CORP	16.4
URS CORP NEW	16.3
IDEXX CORP	15.8

Ten Worst Performers

Name	Return
FINISH LINE INC	-52.4
MGIC INVT CORP WIS	-42.8
KELLWOOD CO	-38.8
POOL CORP	-35.8
CITADEL BROADCASTIN	-35.5
INDEPENDENT BANK CO	-35.0
CENTEX CORP	-33.7
NVR INC	-30.8
GRIFFON CORP	-30.7
FIRST HORIZON NATL	-30.6

Beaver County Employees' Retirement Fund

Quarter Ending September 30, 2007

Equity Only Summary Statistics

C. S. MCKEE & COMPANY

Portfolio Characteristics

	Portfolio	R 3000(R)
Total Number of Securities	93	
Total Market Value \$	42,784,699	
Average Market Capitalization (000's)	77,659,700	87,982,600
Median Market Capitalization (000's)	8,630,200	1,165,600
Equity Segment Yield	1.59	1.70
Equity Segment P/E	15.08	16.74
Equity Segment Beta	1.04	1.10
Price/Book Ratio	3.79	4.22
Five Year Earnings Growth	21.04	22.34
Return On Equity	20.47	20.46

Ten Largest Holdings

Name	\$	Weight
CHEVRON CORP	1,871,600	4.4
CONOCOPHILLIPS	1,802,006	4.2
MARATHON OIL CORP	1,733,408	4.1
CISCO SYS INC	1,444,468	3.4
INTEL CORP	1,344,720	3.1
PUBLIC SVC ENTERPRI	1,231,860	2.9
WAL MART STORES INC	1,178,550	2.8
TEXAS INSTRS INC	1,020,861	2.4
3M CO	1,010,664	2.4
AMERICAN INTL GROUP	1,001,220	2.3

Ten Best Performers

Name	Return
LAYNE INC	35.5
DAKTRONICS INC	26.7
3COM CORP	19.6
ITRON INC	19.4
CISCO SYS INC	18.9
SEMTECH CORP	18.2
DAVITA INC	17.3
EMERSON ELEC CO	14.4
BARR PHARMACEUTICAL	13.3
RESPIRONICS INC	12.8

Ten Worst Performers

Name	Return
LCA-VISION INC	-37.5
CITADEL BROADCASTIN	-35.5
CANDELA CORP	-26.7
YRC WORLDWIDE INC	-25.8
SOUTHWEST BANCORP I	-21.4
ENTERCOM COMMUNICAT	-20.9
WASHINGTON MUT INC	-16.0
PRESTIGE BRANDS HLD	-15.4
AUTOZONE INC	-15.0
MERRILL LYNCH & CO	-14.3

Beaver County Employees' Retirement Fund

Quarter Ending September 30, 2007

Equity Only Summary Statistics

MDL CAPITAL MANAGEMENT INC

Portfolio Characteristics

	Portfolio	R 1000(R) VALUE
Total Number of Securities	63	
Total Market Value \$	16,261,965	
Average Market Capitalization (000's)	114,701,700	120,814,800
Median Market Capitalization (000's)	46,767,800	5,385,400
Equity Segment Yield	2.04	2.46
Equity Segment P/E	15.70	13.91
Equity Segment Beta	1.01	0.99
Price/Book Ratio	3.69	2.63
Five Year Earnings Growth	20.08	15.69
Return On Equity	20.44	17.74

Ten Largest Holdings

Name	\$	Weight
PROCTER & GAMBLE CO	587,339	3.6
GENERAL ELEC CO	550,620	3.4
JOHNSON & JOHNSON	440,190	2.7
EXXON MOBIL CORP	425,776	2.6
CONOCOPHILLIPS	425,685	2.6
CHEVRON CORP	369,641	2.3
CISCO SYS INC	366,087	2.3
COCA COLA CO	356,314	2.2
MONSANTO CO NEW	342,960	2.1
DISNEY WALT CO	326,705	2.0

Ten Best Performers

Name	Return
MONSANTO CO NEW	27.2
CISCO SYS INC	18.9
PROCTER & GAMBLE CO	15.6
UNITED TECHNOLOGIES	14.0
WATERS CORP	12.7
CONOCOPHILLIPS	12.4
INTERNATIONAL BUSIN	12.3
CHEVRON CORP	11.9
HEWLETT PACKARD CO	11.8
EXXON MOBIL CORP	10.8

Ten Worst Performers

Name	Return
CITADEL BROADCASTIN	-35.5
CIT GROUP INC NEW	-26.2
WYETH	-21.9
ISTAR FINL INC	-21.8
CAPITAL ONE FINL CO	-15.3
MERRILL LYNCH & CO	-14.3
TIME WARNER INC NEW	-12.5
FISERV INC	-10.5
LOWES COS INC	-8.5
CITIGROUP INC	-8.0

Beaver County Employees' Retirement Fund

Quarter Ending September 30, 2007

Equity Performance Attribution

TOTAL FUND

	Portfolio		S&P 500		Attribution		
	Pct of Begin Mkt Val	Rate of Return	Pct of Begin Mkt Val	Rate of Return	Stock Selection	Sector Weighting	Total
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Cons Discretionary	10.2	-7.9	10.1	-6.4	-0.2	0.0	-0.2
Consumer Staples	6.8	3.9	9.3	4.8	-0.1	-0.1	-0.1
Energy	11.4	6.8	10.7	10.0	-0.4	0.1	-0.3
Financials	17.9	-5.2	20.9	-4.2	-0.2	0.2	0.0
Health Care	10.6	-1.0	11.7	1.1	-0.2	0.0	-0.2
Industrials	15.4	0.5	11.1	5.8	-0.8	0.2	-0.7
Info Technology	12.8	6.2	15.5	6.5	0.0	-0.1	-0.2
Materials	3.8	-0.4	3.3	4.7	-0.2	0.0	-0.2
Telecom Services	2.6	4.1	3.8	2.1	0.1	0.0	0.1
Utilities	5.6	0.3	3.5	2.0	-0.1	0.0	-0.1
Miscellaneous	3.0	0.0	0.0		0.0	-0.1	-0.1
TOTAL	100%	0.2	100%	2.1	-2.0	0.2	-1.9

Equity Only Buy/Hold Return (B)
 Benchmark Buy/Hold Return (D)
 Total Relative Return Difference (B/D)

0.2
 2.1
 -1.9

Stock Selection (E)
 Sector Weighting (F)
 Total Selection (E * F)

-2.0
 0.2
 -1.9

Equity Only Actual Return (*)
 Equity Only Buy/Hold Return (B)
 Intra-Period Trading (* / B)

0.2
 0.2
 0.0

Total Value Added
 (Selection * Trading)

-1.9

Beaver County Employees' Retirement Fund

Quarter Ending September 30, 2007

Equity Performance Attribution CIM INVESTMENT MANAGEMENT

	Portfolio		S&P 500		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	10.5	-10.5	10.1	-6.4	-0.4	0.0	-0.5
Consumer Staples	6.7	4.4	9.3	4.8	0.0	-0.1	-0.1
Energy	8.9	7.9	10.7	10.0	-0.2	-0.1	-0.3
Financials	20.4	-5.3	20.9	-4.2	-0.2	0.0	-0.2
Health Care	7.8	0.0	11.7	1.1	-0.1	0.0	0.0
Industrials	18.0	0.1	11.1	5.8	-1.0	0.2	-0.8
Info Technology	11.9	6.6	15.5	6.5	0.0	-0.2	-0.1
Materials	5.8	-1.0	3.3	4.7	-0.3	0.1	-0.3
Telecom Services	2.1	4.6	3.8	2.1	0.1	0.0	0.1
Utilities	7.7	0.4	3.5	2.0	-0.1	0.0	-0.1
Miscellaneous	0.2	0.0	0.0		0.0	0.0	0.0
TOTAL	100%	-0.3	100%	2.1	-2.3	0.0	-2.4

Equity Only Buy/Hold Return (B)
 Benchmark Buy/Hold Return (D)
 Total Relative Return Difference (B/D)

-0.3
 2.1
 -2.4

Stock Selection (E)
 Sector Weighting (F)
 Total Selection (E * F)

-2.3
 0.0
 -2.4

Equity Only Actual Return (*)
 Equity Only Buy/Hold Return (B)
 Intra-Period Trading (* / B)

-0.5
 -0.3
 -0.2

Total Value Added
 (Selection * Trading)

-2.6

Beaver County Employees' Retirement Fund

Quarter Ending September 30, 2007

Equity Performance Attribution

C. S. MCKEE & COMPANY

	Portfolio		R 3000(R)		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	9.9	-6.8	11.1	-5.6	-0.1	0.1	0.0
Consumer Staples	6.5	0.7	8.1	4.6	-0.3	-0.1	-0.3
Energy	14.9	5.8	10.0	8.7	-0.4	0.3	-0.1
Financials	14.2	-4.9	20.5	-4.2	-0.1	0.4	0.3
Health Care	13.7	-1.5	11.6	1.9	-0.5	0.0	-0.5
Industrials	14.6	0.3	12.0	4.1	-0.5	0.1	-0.5
Info Technology	14.6	6.2	15.6	5.4	0.1	0.0	0.1
Materials	1.9	-3.0	3.9	4.0	-0.1	0.0	-0.2
Telecom Services	1.9	2.8	3.5	2.0	0.0	0.0	0.0
Utilities	4.3	0.1	3.7	1.3	-0.1	0.0	-0.1
Miscellaneous	3.5	0.0	0.0		0.0	-0.1	-0.1
TOTAL	100%	0.3	100%	1.6	-1.9	0.7	-1.3

Equity Only Buy/Hold Return (B)	0.3	Stock Selection (E)	-1.9
Benchmark Buy/Hold Return (D)	1.6	Sector Weighting (F)	0.7
Total Relative Return Difference (B/D)	-1.3	Total Selection (E * F)	-1.3
Equity Only Actual Return (*)	0.4	Total Value Added	-1.2
Equity Only Buy/Hold Return (B)	0.3	(Selection * Trading)	
Intra-Period Trading (* / B)	0.1		

Beaver County Employees' Retirement Fund

Quarter Ending September 30, 2007

Equity Performance Attribution

MDL CAPITAL MANAGEMENT INC

	Portfolio		R 1000(R) VALUE		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	9.8	-2.4	8.2	-8.4	0.6	-0.1	0.5
Consumer Staples	8.3	9.2	7.6	3.6	0.5	0.0	0.5
Energy	9.7	8.1	13.3	8.8	-0.1	-0.3	-0.4
Financials	20.1	-5.5	33.8	-4.9	-0.1	0.7	0.5
Health Care	11.0	-1.4	6.9	-1.2	0.0	0.0	-0.1
Industrials	9.2	3.6	9.7	5.5	-0.2	0.0	-0.2
Info Technology	10.9	4.9	3.7	0.6	0.5	0.1	0.5
Materials	2.9	8.3	4.1	-0.3	0.2	0.0	0.3
Telecom Services	5.5	4.6	6.6	2.3	0.1	0.0	0.1
Utilities	2.6	1.0	6.1	1.8	0.0	-0.1	-0.1
Miscellaneous	10.1	0.0	0.0		0.0	0.0	0.0
TOTAL	100%	1.4	100%	-0.2	1.5	0.1	1.6

Equity Only Buy/Hold Return (B)
 Benchmark Buy/Hold Return (D)
 Total Relative Return Difference (B/D)

1.4
 -0.2
 1.6

Stock Selection (E)
 Sector Weighting (F)
 Total Selection (E * F)

1.5
 0.1
 1.6

Equity Only Actual Return (*)
 Equity Only Buy/Hold Return (B)
 Intra-Period Trading (* / B)

1.5
 1.4
 0.1

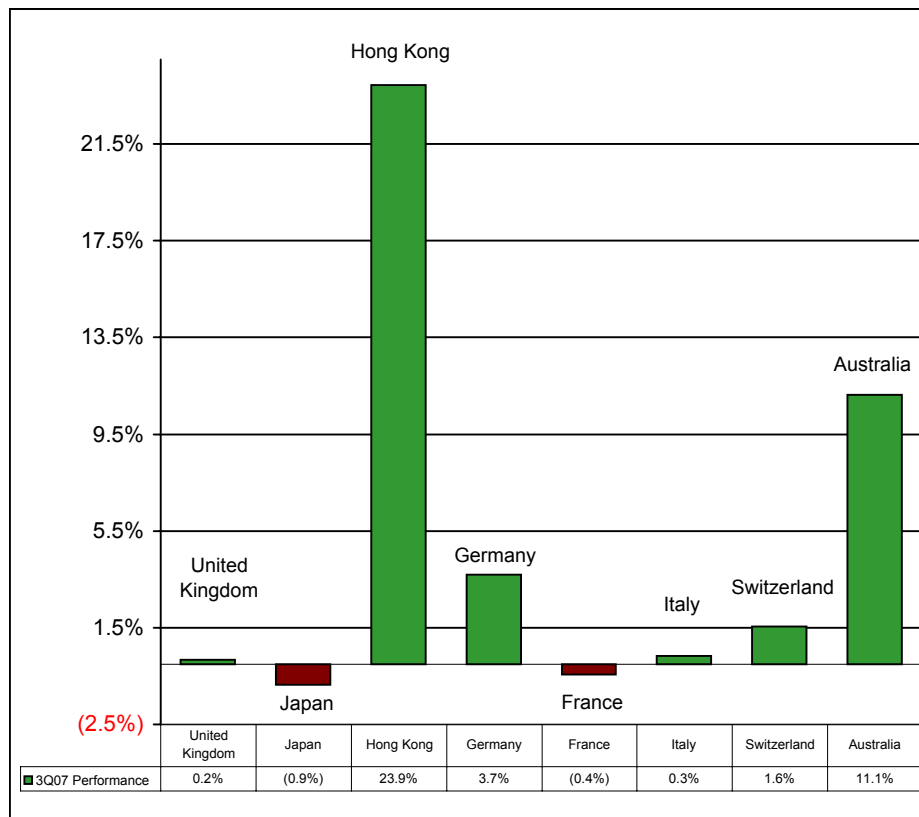
Total Value Added
 (Selection * Trading)

1.8

International Portfolios - *For periods ending September 30, 2007*

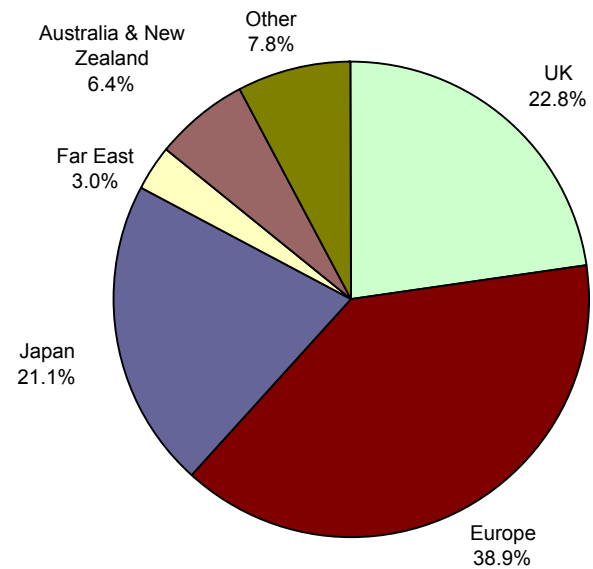
Major Market Performance

Market Performance - Third Quarter, 2007



MSCI-EAFE International Equity Index (net of taxes) returned 2.2% for the third quarter.

Country Weighting - EAFE Index

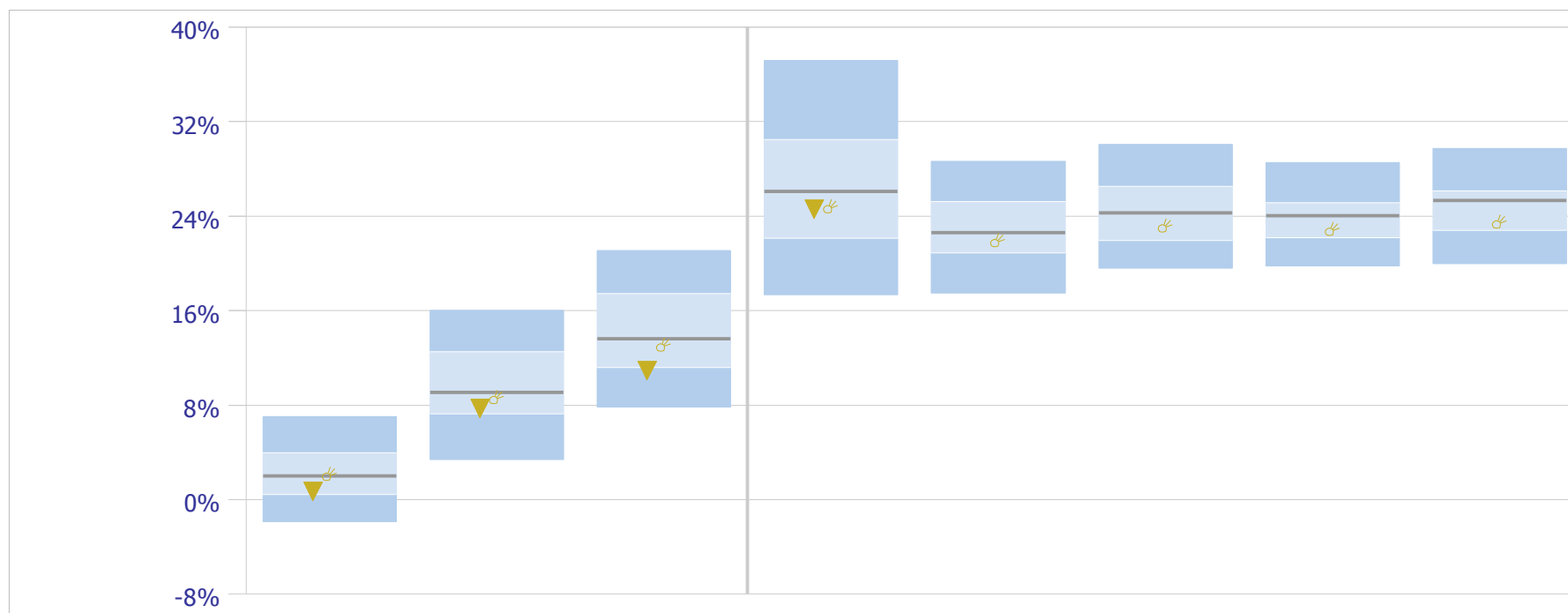


Beaver County Employees' Retirement Fund

Periods Ending September 30, 2007

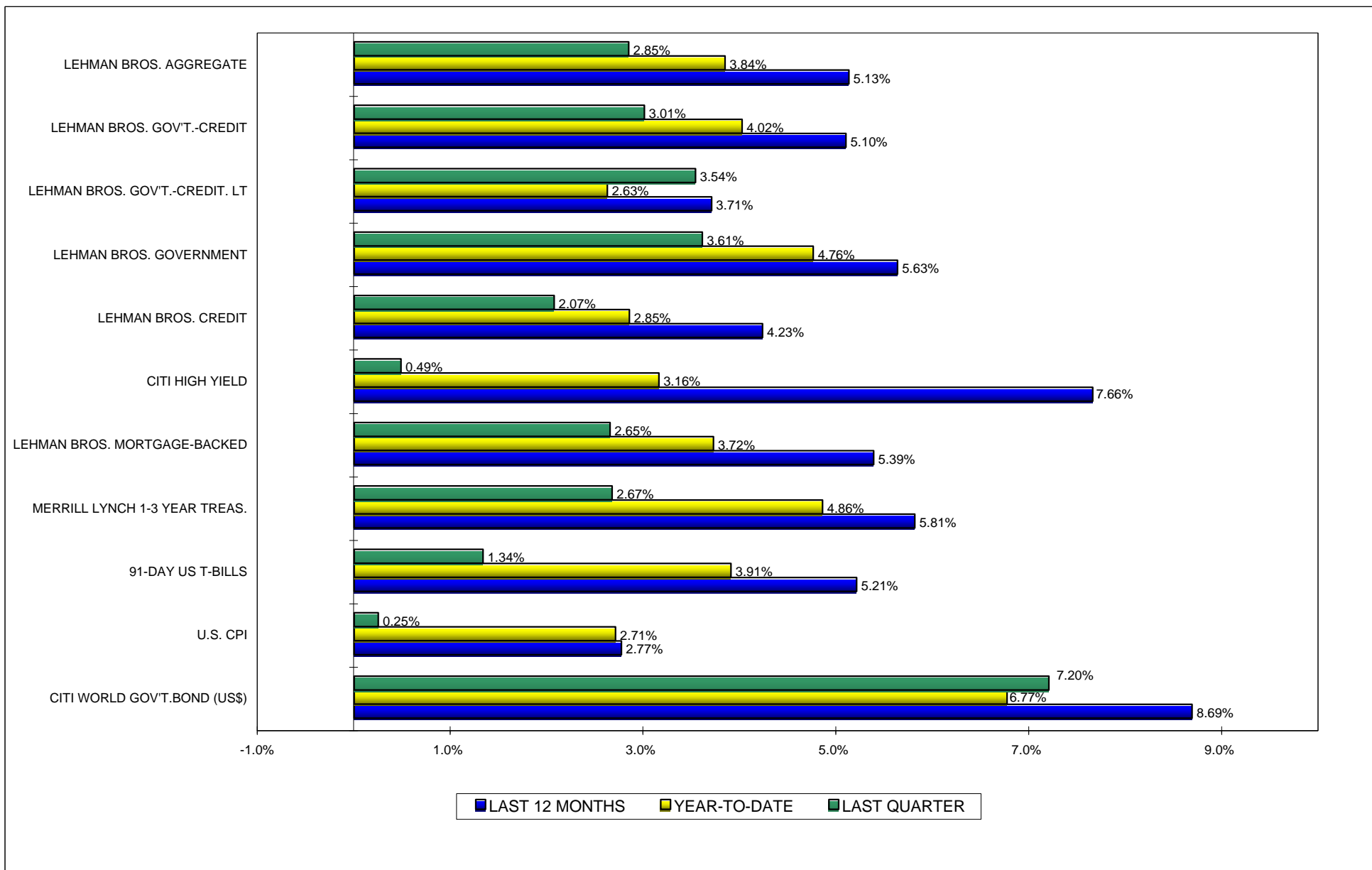
Int'l Developed Mkt Equity Funds

Total Returns



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
▼ BOSTON COMPANY	0.7	67	7.7	64	10.9	79	24.6	61								
✎ MS EAFE NET	2.2	44	8.7	56	13.2	53	24.9	60	22.0	61	23.2	61	22.9	67	23.6	69
Median	2.0		9.1		13.6		26.1		22.6		24.3		24.0		25.4	

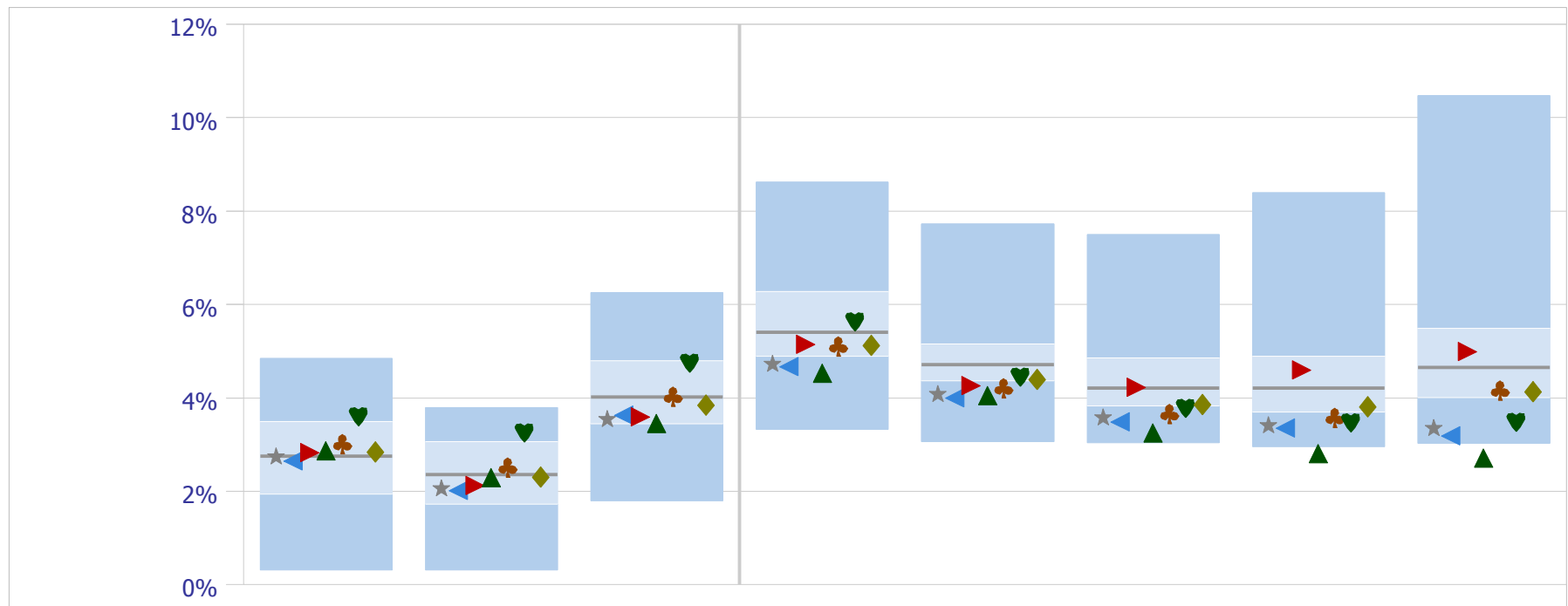
Fixed Income Returns - *periods ending September 30, 2007*



Beaver County Employees' Retirement Fund

Periods Ending September 30, 2007

Bond Only Rates of Return

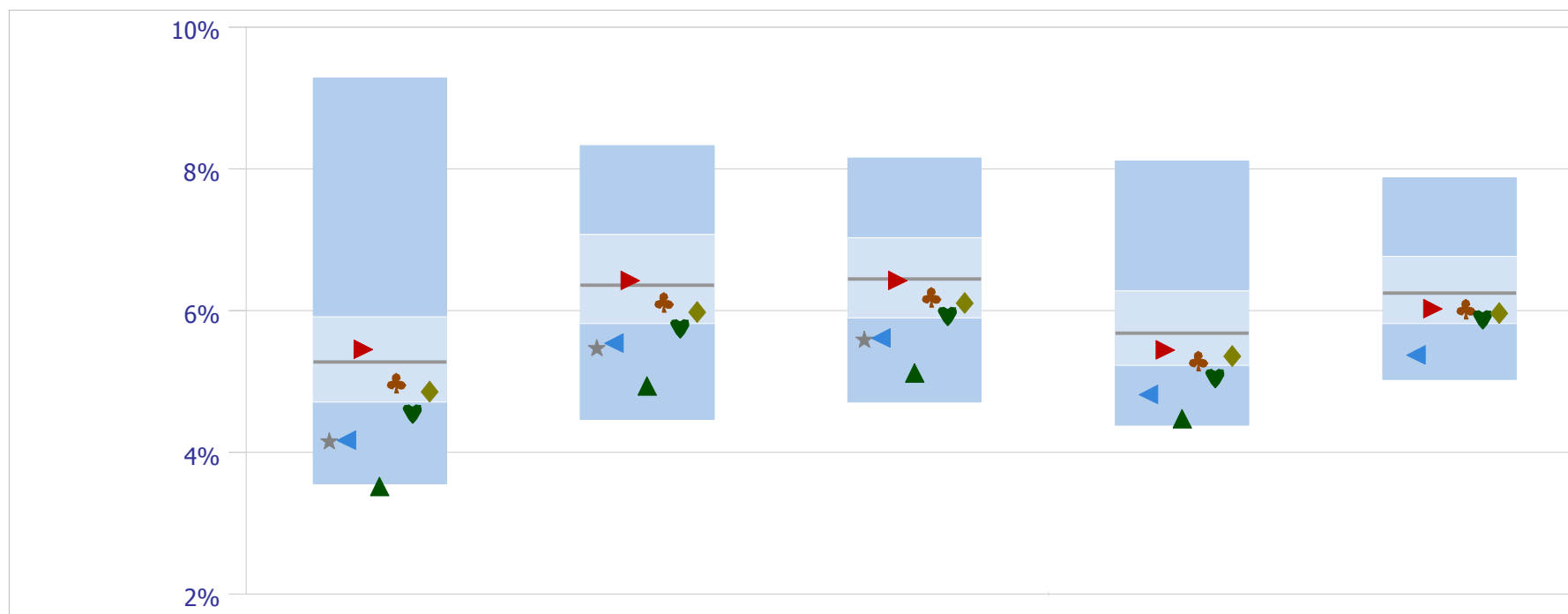


	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
★ TOTAL FUND	2.8	49	2.1	64	3.6	72	4.7	78	4.1	84	3.6	86	3.4	85	3.4	91
◀ CIM INVEST MGT	2.7	53	2.0	66	3.6	69	4.7	80	4.0	85	3.5	89	3.4	86	3.2	92
▶ C. S. MCKEE	2.8	46	2.1	62	3.6	71	5.2	63	4.3	79	4.2	48	4.6	35	5.0	41
▲ MDL CAPITAL	2.9	43	2.3	54	3.5	74	4.5	82	4.0	84	3.2	92	2.8	96	2.7	96
♣ LB GOVT/CREDIT	3.0	35	2.5	42	4.0	49	5.1	68	4.2	81	3.7	84	3.6	80	4.2	68
♥ LB GOVT BOND	3.6	23	3.3	19	4.8	25	5.6	39	4.5	68	3.8	77	3.5	83	3.5	89
♦ LB AGGREGATE	2.8	45	2.3	53	3.8	58	5.1	66	4.4	73	3.9	72	3.8	69	4.1	69
Median	2.8		2.4		4.0		5.4		4.7		4.2		4.2		4.7	

Beaver County Employees' Retirement Fund

Periods Ending September 30, 2007

Bond Only Rates of Return

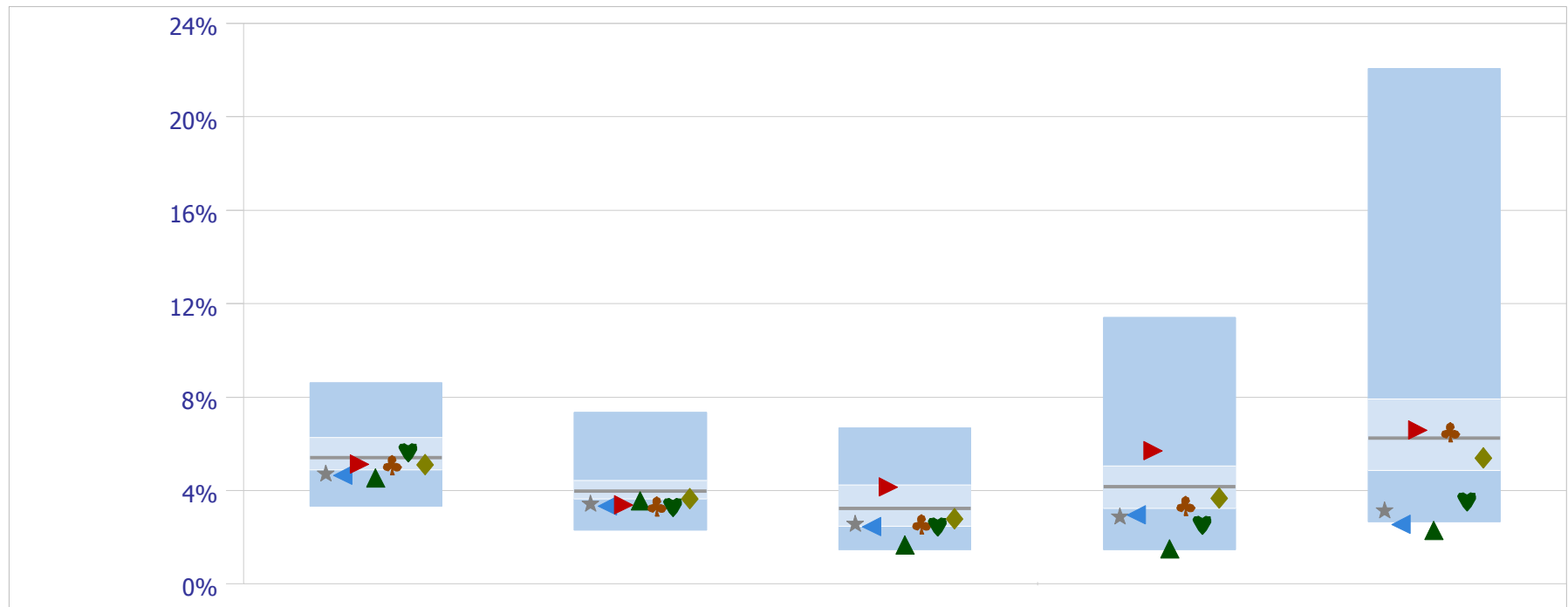


	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
★ TOTAL FUND	4.2 88	5.5 82	5.6 82		
◀ CIM INVEST MGT	4.2 87	5.5 81	5.6 82	4.8 87	5.4 88
▶ C. S. MCKEE	5.5 44	6.4 47	6.4 51	5.5 63	6.0 62
▲ MDL CAPITAL	3.5 95	4.9 90	5.1 91	4.5 93	
♣ LB GOVT/CREDIT	5.0 62	6.1 62	6.2 62	5.3 71	6.0 63
♥ LB GOVT BOND	4.6 80	5.8 77	5.9 73	5.1 80	5.9 71
♦ LB AGGREGATE	4.9 68	6.0 67	6.1 67	5.4 68	6.0 66
Median	5.3	6.4	6.5	5.7	6.3

Beaver County Employees' Retirement Fund

Years Ending September

Bond Only Rates of Return

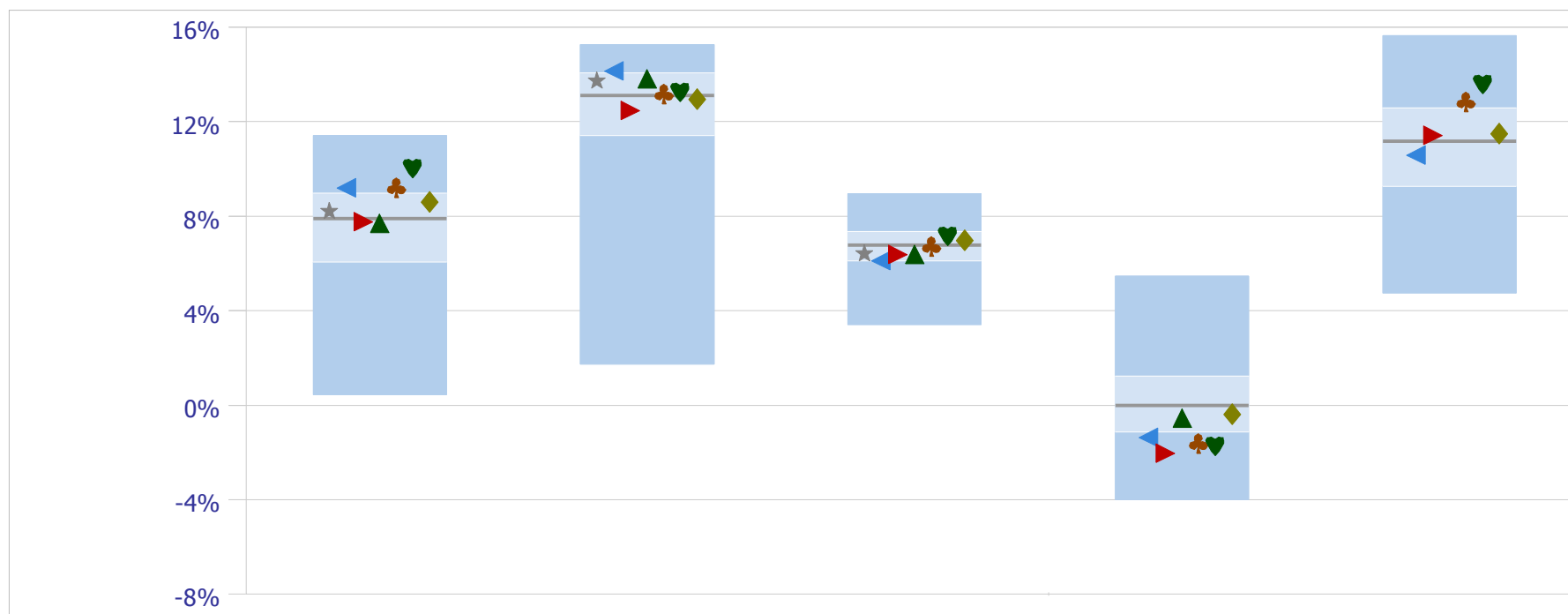


	September 2007	September 2006	September 2005	September 2004	September 2003
★ TOTAL FUND	4.7 78	3.5 82	2.6 72	2.9 80	3.1 91
▲ CIM INVEST MGT	4.7 80	3.3 85	2.5 75	3.0 79	2.6 95
▶ C. S. MCKEE	5.2 63	3.4 84	4.2 30	5.7 19	6.6 45
▲ MDL CAPITAL	4.5 82	3.6 77	1.7 91	1.5 94	2.3 96
♣ LB GOVT/CREDIT	5.1 68	3.3 85	2.6 72	3.3 72	6.5 46
♥ LB GOVT BOND	5.6 39	3.3 86	2.5 75	2.5 85	3.5 88
◆ LB AGGREGATE	5.1 66	3.7 72	2.8 65	3.7 63	5.4 65
Median	5.4	4.0	3.2	4.2	6.3

Beaver County Employees' Retirement Fund

Years Ending September

**Bond Only
Rates of Return**



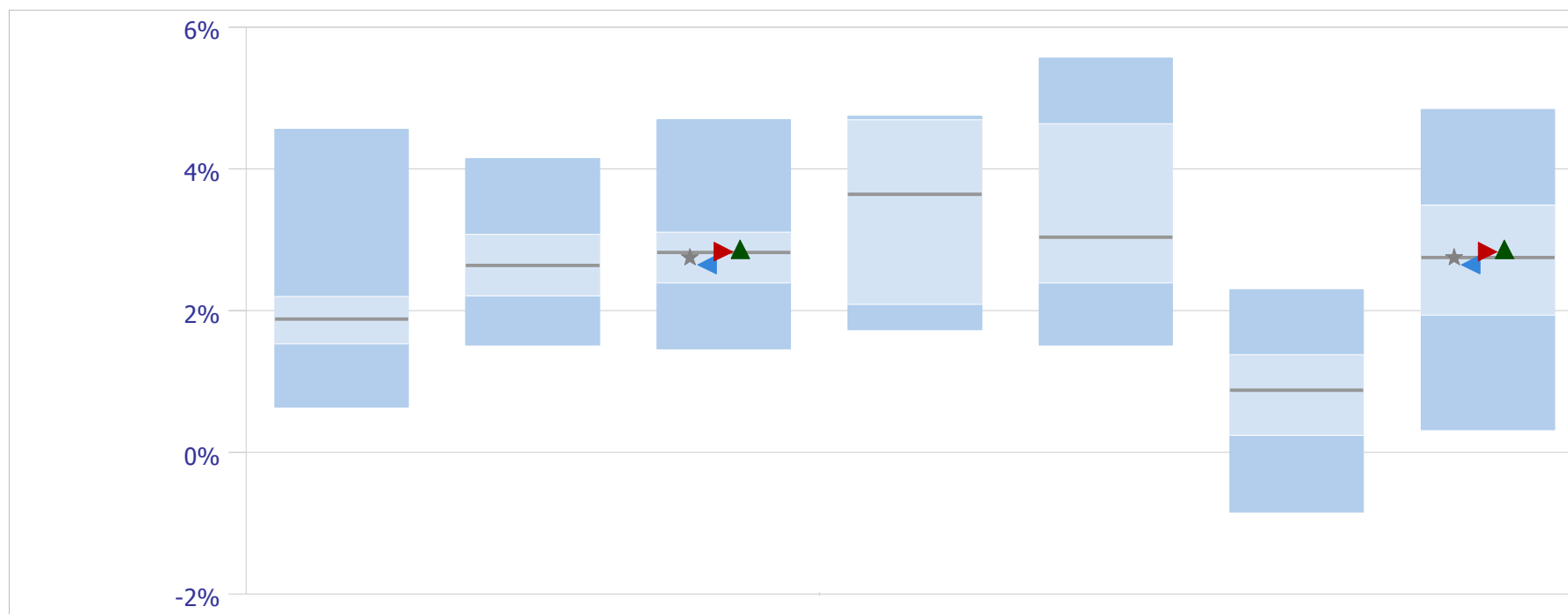
	September 2002	September 2001	September 2000	September 1999	September 1998
★ TOTAL FUND	8.2 43	13.7 31	6.4 64		
◀ CIM INVEST MGT	9.2 21	14.1 23	6.1 74	-1.3 78	10.6 61
▶ C. S. MCKEE	7.8 53	12.5 63	6.4 66	-2.0 87	11.4 45
▲ MDL CAPITAL	7.7 54	13.8 30	6.4 66	-0.5 63	
♣ LB GOVT/CREDIT	9.2 21	13.2 47	6.7 52	-1.6 83	12.8 21
♥ LB GOVT BOND	10.0 11	13.3 45	7.2 31	-1.7 84	13.6 11
♦ LB AGGREGATE	8.6 31	13.0 54	7.0 41	-0.4 59	11.5 44
Median	7.9	13.1	6.8	0.0	11.2

Beaver County Employees' Retirement Fund

Quarter Ending September 30, 2007

Active Fixed Income Style Analysis

Bond Only Returns



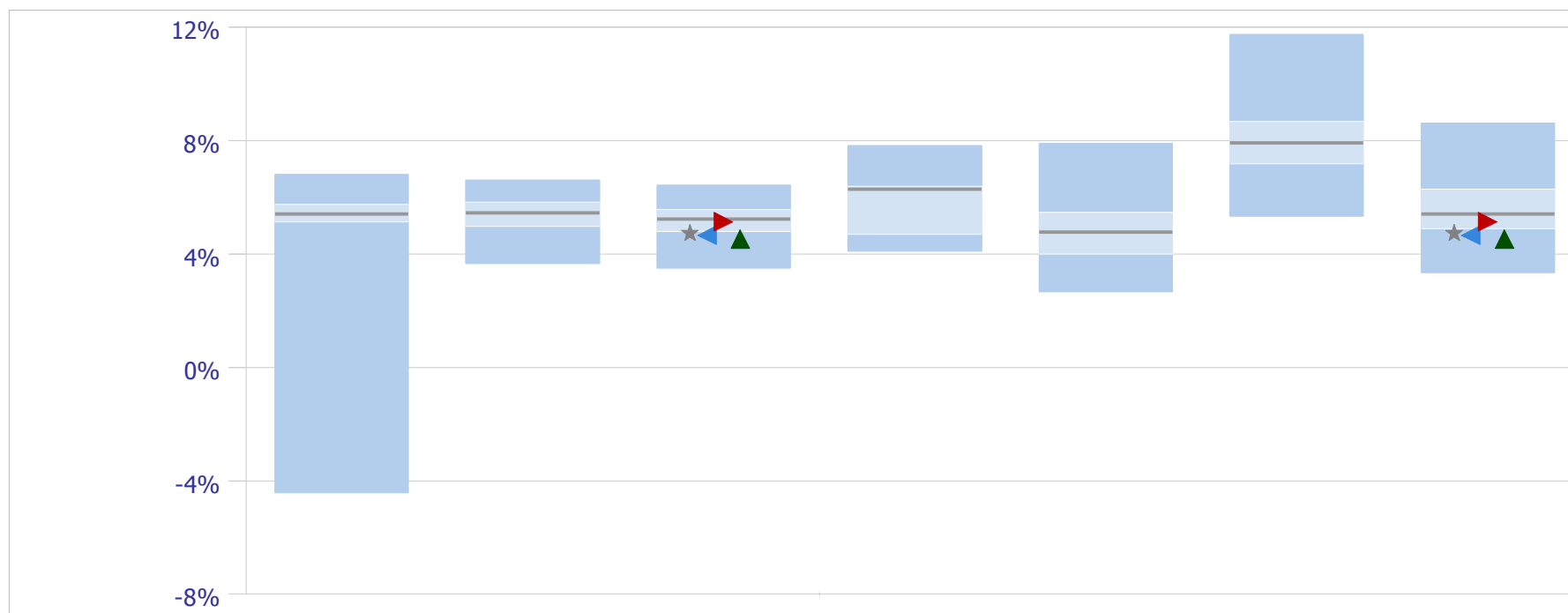
	Short	Inter-mediate	Core	Core Plus	Long	High Yield	Bond Univ
★ TOTAL FUND			2.8 53				2.8 49
◀ CIM INVEST MGT			2.7 62				2.7 53
▶ C. S. MCKEE			2.8 47				2.8 46
▲ MDL CAPITAL			2.9 45				2.9 43
Median	1.9	2.6	2.8	3.6	3.0	0.9	2.8

Beaver County Employees' Retirement Fund

Year Ending September 30, 2007

Active Fixed Income Style Analysis

Bond Only Returns



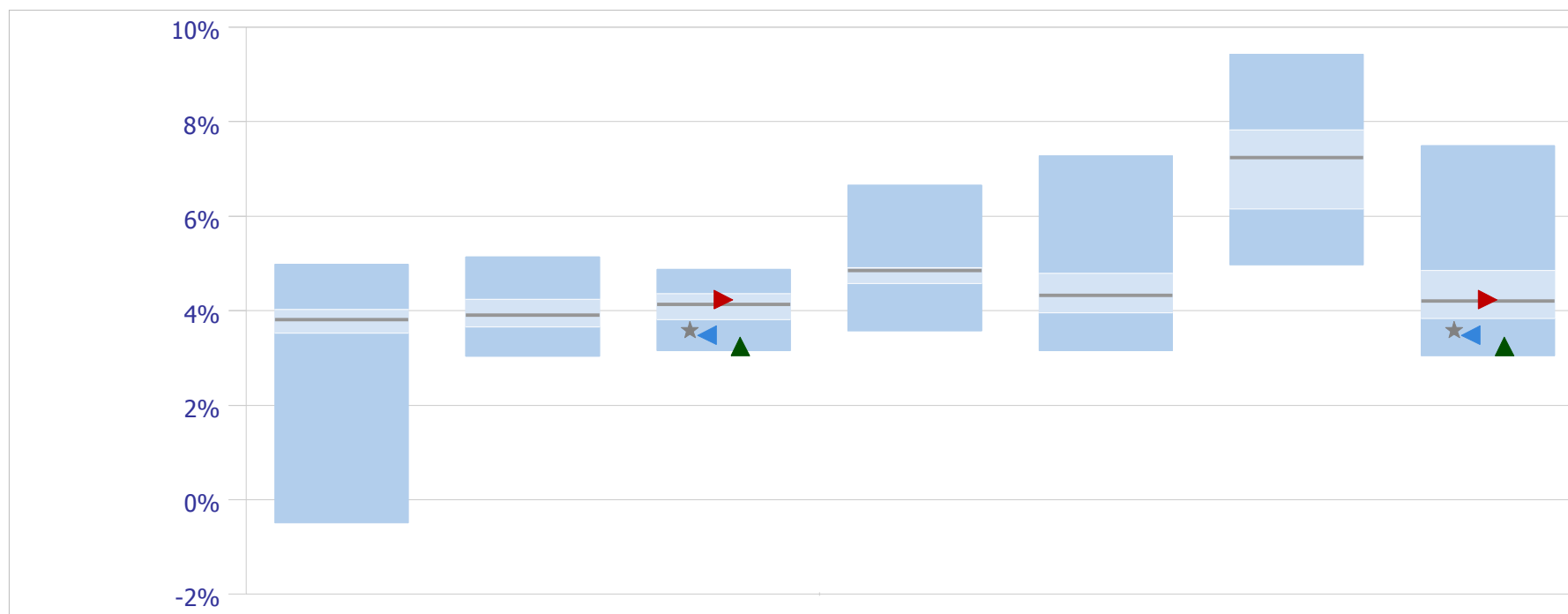
	Short	Inter-mediate	Core	Core Plus	Long	High Yield	Bond Univ
★ TOTAL FUND			4.7 76				4.7 78
◀ CIM INVEST MGT			4.7 79				4.7 80
▶ C. S. MCKEE			5.2 54				5.2 63
▲ MDL CAPITAL			4.5 82				4.5 82
Median	5.4	5.5	5.2	6.3	4.8	7.9	5.4

Beaver County Employees' Retirement Fund

Three Years Ending September 30, 2007

Active Fixed Income Style Analysis

Bond Only Returns



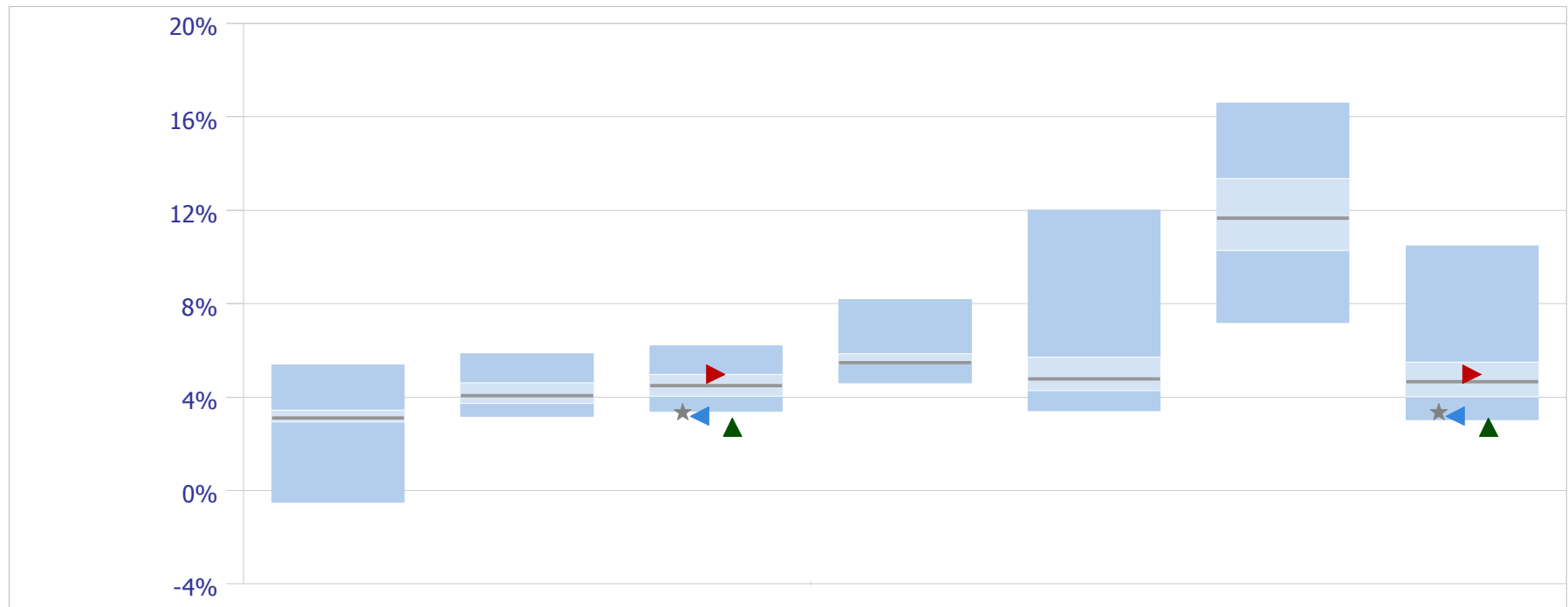
	Short	Inter-mediate	Core	Core Plus	Long	High Yield	Bond Univ
★ TOTAL FUND			3.6 86				3.6 86
◀ CIM INVEST MGT			3.5 90				3.5 89
▶ C. S. MCKEE			4.2 37				4.2 48
▲ MDL CAPITAL			3.2 93				3.2 92
Median	3.8	3.9	4.1	4.9	4.3	7.2	4.2

Beaver County Employees' Retirement Fund

Five Years Ending September 30, 2007

Active Fixed Income Style Analysis

Bond Only Returns



	Short	Inter-mediate	Core	Core Plus	Long	High Yield	Bond Univ
★ TOTAL FUND			3.4 94				3.4 91
◀ CIM INVEST MGT			3.2 96				3.2 92
▶ C. S. MCKEE			5.0 24				5.0 41
▲ MDL CAPITAL			2.7 98				2.7 96
Median	3.1	4.1	4.5	5.5	4.8	11.7	4.7

Beaver County Employees' Retirement Fund

As of September 30, 2007

Bond Summary Statistics

TOTAL FUND

Portfolio Characteristics		
	Portfolio	LB AGGREGATE
Total Number of Securities	180	
Total Market Value	\$ 69,116,996	
Current Coupon	4.95	5.44
Yield To Maturity	4.98	5.34
Average Life	5.99	7.30
Duration	4.06	4.62
Quality	9.33	9.59

Duration (in Years)	
Range	%Held
0.0 to 1.0	11.7
1.0 to 3.0	20.1
3.0 to 4.0	11.6
4.0 to 6.0	19.0
6.0 to 8.0	13.0
Over 8.0	5.5
Unclassified	19.2

Quality	
Range	%Held
Govt (10)	34.9
Aaa (10)	13.4
Aa (9)	4.6
A (8)	14.5
Baa (7)	4.1
Below Baa	0.6
Other	28.0

Yield to Maturity	
Range	%Held
0.0 to 5.0	35.5
5.0 to 7.0	42.4
7.0 to 9.0	1.6
9.0 to 11.0	1.3
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	19.2

Average Life	
Range	%Held
0.0 to 1.0	14.5
1.0 to 3.0	14.9
3.0 to 5.0	10.6
5.0 to 10.0	31.7
10.0 to 20.0	5.5
Over 20.0	3.7
Unclassified	19.2

Coupon	
Range	%Held
0.0 to 5.0	40.3
5.0 to 7.0	44.3
7.0 to 9.0	6.3
9.0 to 11.0	0.2
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	9.0

Beaver County Employees' Retirement Fund

As of September 30, 2007

Bond Summary Statistics CIM INVESTMENT MANAGEMENT

Portfolio Characteristics		
	Portfolio	LB GOVT/CREDIT
Total Number of Securities	58	
Total Market Value	\$ 31,213,517	
Current Coupon	5.24	5.42
Yield To Maturity	5.30	5.03
Average Life	6.88	7.92
Duration	4.89	5.20
Quality	9.08	9.00

Duration (in Years)	
Range	%Held
0.0 to 1.0	6.6
1.0 to 3.0	15.0
3.0 to 4.0	17.7
4.0 to 6.0	30.5
6.0 to 8.0	19.4
Over 8.0	7.7
Unclassified	3.1

Quality	
Range	%Held
Govt (10)	39.6
Aaa (10)	11.4
Aa (9)	5.5
A (8)	26.5
Baa (7)	6.6
Below Baa	1.3
Other	9.1

Yield to Maturity	
Range	%Held
0.0 to 5.0	28.4
5.0 to 7.0	65.6
7.0 to 9.0	1.3
9.0 to 11.0	1.6
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	3.1

Average Life	
Range	%Held
0.0 to 1.0	6.6
1.0 to 3.0	11.8
3.0 to 5.0	17.2
5.0 to 10.0	50.5
10.0 to 20.0	6.7
Over 20.0	4.1
Unclassified	3.1

Coupon	
Range	%Held
0.0 to 5.0	39.3
5.0 to 7.0	54.2
7.0 to 9.0	6.5
9.0 to 11.0	0.0
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	0.0

Beaver County Employees' Retirement Fund

As of September 30, 2007

Bond Summary Statistics

C. S. MCKEE & COMPANY

Portfolio Characteristics		
	Portfolio	LB AGGREGATE
Total Number of Securities	89	
Total Market Value	\$ 23,554,233	
Current Coupon	4.67	5.44
Yield To Maturity	4.80	5.34
Average Life	5.29	7.30
Duration	2.96	4.62
Quality	9.62	9.59

Duration (in Years)	
Range	%Held
0.0 to 1.0	23.6
1.0 to 3.0	17.0
3.0 to 4.0	8.6
4.0 to 6.0	7.3
6.0 to 8.0	7.3
Over 8.0	4.6
Unclassified	31.6

Quality	
Range	%Held
Govt (10)	39.7
Aaa (10)	1.9
Aa (9)	4.4
A (8)	3.8
Baa (7)	2.7
Below Baa	0.0
Other	47.6

Yield to Maturity	
Range	%Held
0.0 to 5.0	31.8
5.0 to 7.0	31.7
7.0 to 9.0	3.1
9.0 to 11.0	1.8
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	31.6

Average Life	
Range	%Held
0.0 to 1.0	31.9
1.0 to 3.0	6.5
3.0 to 5.0	2.6
5.0 to 10.0	16.0
10.0 to 20.0	7.4
Over 20.0	4.0
Unclassified	31.6

Coupon	
Range	%Held
0.0 to 5.0	31.2
5.0 to 7.0	52.5
7.0 to 9.0	9.8
9.0 to 11.0	0.7
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	5.8

Beaver County Employees' Retirement Fund

As of September 30, 2007

Bond Summary Statistics MDL CAPITAL MANAGEMENT INC

Portfolio Characteristics		
	Portfolio	LB AGGREGATE
Total Number of Securities	38	
Total Market Value	\$ 14,349,246	
Current Coupon	4.63	5.44
Yield To Maturity	4.26	5.34
Average Life	4.30	7.30
Duration	3.32	4.62
Quality	9.73	9.59

Duration (in Years)	
Range	%Held
0.0 to 1.0	3.2
1.0 to 3.0	36.3
3.0 to 4.0	3.4
4.0 to 6.0	13.2
6.0 to 8.0	8.3
Over 8.0	2.2
Unclassified	33.6

Quality	
Range	%Held
Govt (10)	16.7
Aaa (10)	36.7
Aa (9)	3.1
A (8)	6.0
Baa (7)	0.7
Below Baa	0.0
Other	36.8

Yield to Maturity	
Range	%Held
0.0 to 5.0	56.8
5.0 to 7.0	9.6
7.0 to 9.0	0.0
9.0 to 11.0	0.0
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	33.6

Average Life	
Range	%Held
0.0 to 1.0	3.2
1.0 to 3.0	35.3
3.0 to 5.0	9.6
5.0 to 10.0	16.2
10.0 to 20.0	0.0
Over 20.0	2.2
Unclassified	33.6

Coupon	
Range	%Held
0.0 to 5.0	57.2
5.0 to 7.0	9.2
7.0 to 9.0	0.0
9.0 to 11.0	0.0
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	33.6

Beaver County Employees' Retirement Fund

Quarter Ending September 30, 2007

Fixed Income Attribution

Bond Only Returns

	Return	Beginning Duration	Ending Duration	Average Duration	Return Due to Market	Interest Rate Anticipation	Security Selection
Portfolio							
TOTAL FUND	2.75	4.70	4.35	4.53	2.81	-0.06	0.00
CIM INVEST MGT	2.65	4.92	5.03	4.98	2.97	0.02	-0.34
C. S. MCKEE	2.84	4.34	3.45	3.90	2.60	-0.15	0.39
MDL CAPITAL	2.87	4.62	3.46	4.04	2.65	-0.20	0.42
Benchmark							
<i>LB GOVT/CREDIT</i>	3.01	5.10	5.20	5.14			
<i>LB GOVT BOND</i>	3.61	4.48	4.56	4.52			
<i>LB AGGREGATE</i>	2.85	4.70	4.62	4.64			
<i>90 DAY T-BILLS</i>	1.34	0.25	0.25	0.25			
Market Sensitivity	0.35						

Return Due to Market = T-Bill Return * (Relative Market Sensitivity x (Average Duration - TBill Duration))

Rate Anticipation = Relative Market Sensitivity x Current Duration - Average Duration

Selection Effect = (Account Return - TBill Return) - (Relative Market Sensitivity x (Current Duration - TBill Duration))

Relative Market Sensitivity = (Benchmark Return - TBill Return) / (Benchmark Current Duration - TBill Duration)

Duration = Duration Option Adjusted

Beaver County Employees' Retirement Fund

As of September 30, 2007

Policy Index Detail

POLICY ACCOUNT: U26POLY **TARGET POLICY**

EFFECTIVE DATE: 09/99

45.00% LB GOVT/CREDIT

42.00% S&P 500

13.00% R 1000(R) VALUE

EFFECTIVE DATE: 01/00

42.00% S&P 500
11.00% LB AGGREGATE

34.00% LB GOVT/CREDIT

13.00% R 1000(R) VALUE

EFFECTIVE DATE: 04/00

46.00% S&P 500
9.00% LB AGGREGATE

31.00% LB GOVT/CREDIT

14.00% R 1000(R) VALUE

EFFECTIVE DATE: 01/02

35.00% S&P 500
10.00% R 1000(R) GR

30.00% LB GOVT/CREDIT
10.00% LB AGGREGATE

15.00% R 1000(R) VALUE

EFFECTIVE DATE: 09/02

32.00% S&P 500
10.00% LB AGGREGATE

30.00% LB GOVT/CREDIT
10.00% R 3000(R) GR

15.00% R 3000(R) VAL
3.00% S&P SM CAP 600

EFFECTIVE DATE: 12/03

32.00% S&P 500
10.00% LB AGGREGATE

30.00% LB GOVT/CREDIT
3.00% S&P SM CAP 600

25.00% R 3000(R)

EFFECTIVE DATE: 03/04

Beaver County Employees' Retirement Fund

As of September 30, 2007

Policy Index Detail

32.00% S&P 500
10.00% LB GOVT/CREDIT

EFFECTIVE DATE: 03/06

22.50% S&P 500
13.50% LB AGGREGATE
8.00% R 1000(R) VALUE

EFFECTIVE DATE: 09/06

22.50% S&P 500
16.50% LB GOVT/CREDIT
3.00% S&P SM CAP 600

EFFECTIVE DATE: 03/07

22.00% S&P 500
15.50% LB GOVT/CREDIT
6.00% NCREIF PROPERTY

25.00% R 3000(R)
10.00% LB AGGREGATE

20.50% R 3000(R)
8.00% MS EAFE NET
3.00% S&P SM CAP 600

21.50% LB AGGREGATE
8.00% R 1000(R) VALUE

19.50% LB AGGREGATE
8.00% MS EAFE NET
2.00% S&P SM CAP 600

20.00% LB GOVT BOND
3.00% S&P SM CAP 600

16.50% LB GOVT/CREDIT
8.00% LB GOVT BOND

20.50% R 3000(R)
8.00% MS EAFE NET

19.50% R 3000(R)
7.50% R 1000(R) VALUE

PFM Advisors

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